DEPARTMENT OF THE INTERIOR

TRANSITION BUDGET ISSUES AND BACKGROUND MATERIALS

November 2008

DEPARTMENT OF THE INTERIOR
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NOVEMBER 2008

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INTRODUCTION

This briefing book provides an overview of the Department of the Interior budget, reviews budget trends, and identifies potential issues for the 2010 budget. It is a primer to prepare for the decisions that will need to be made as part of the 2010 President's budget preparation, presentation and justification. In addition, the book will provide the background that is needed for developing a relationship with and being responsive to the congressional review process that will be conducted by the appropriations committees.

Budget Structure

The Department's budget is comprised of current funding that is provided in annual appropriations acts and permanent funding that is not subject to appropriations. Funding is organized by account, activity, subactivity, and project.

The budget for the Department is small compared to many other Departments, but it is programmatically and structurally complex. The budget structure for the Department includes:

- Appropriations are provided by two of the twelve Appropriations Subcommittees. The Energy and Water Development Subcommittee funds the Bureau of Reclamation and the Central Utah Project Completion Act. The Interior, Environment, and Related Agencies Subcommittee has jurisdiction over all other Interior bureaus and programs.

- There are 62 budget accounts funded in the annual appropriations acts. This includes 12 that are subject to appropriation by the Energy and Water Development Subcommittee and 50 that are under the jurisdiction of the Interior, Environment, and Related Agencies Subcommittee.

- There are over 400 unique budget subactivities contained in the Interior and Environment accounts and those subactivities often are further subdivided to track and report on specific projects. The Energy and Water Development bureaus are project oriented.

- There are 203 active receipt or revenue accounts, including trust and special funds. Each of these comes with a particular set of requirements relative to the recording of collections, the disposition of the revenues, and whether the funds are subject to appropriation. Associated with these accounts are 110 permanent spending accounts.

- Interior's budget is made more complex with an extensive number of transfers between accounts and with other agencies, a significant volume of work that is supported by reimbursement from other entities, and periodic rescission proposals and supplemental appropriations.

- The Office of Management and Budget and the appropriations committees utilize different systems of scoring for the annual appropriations bills. OMB uses a system that is required by the Budget Enforcement Act entitled "net discretionary budget authority." This excludes all mandatory funding and is reduced by offsetting receipts. The appropriators use "current authority", which is the total that must be appropriated each year including select mandatory accounts and is not reduced by offsetting receipts.

In addition to being complex, Interior's budget is very detailed and has extensive constituencies. With over 2,400 separate operating locations throughout the country, the budget is tracked by congressional members and others in minute detail. Budget information for the land management bureaus – BLM, FWS, NPS – is geographically based and tied primarily to operating levels and staff at monuments, refuges and fisheries units, and park units. Indian Affairs funding flows to programs that deliver services to Tribes or to contracts and compacts with Tribes that deliver services on behalf of the bureau.

In Interior, there is a story associated with each account, activity, subactivity, and project. Describing Interior's programs and telling this story for the annual budget requires over 5,700 pages of justification materials. These materials are prepared in the format required by the Appropriations Committees. During the course of the congressional review process, the Department prepares thousands of analyses and nearly 300 statements describing the potential effects of congressional action. In addition, there are normally 12 – 16 hearings on the budget with the authorizing committees and appropriators supported by extensive briefing materials, testimony and three separate hearing volumes which include hearing transcripts and hundreds of questions and answers for the record.

U.S. Department of the Interior
Budget, Performance, and Financial Snapshot
Fiscal Year 2008

Who We Are

Mission: The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated Island Communities.

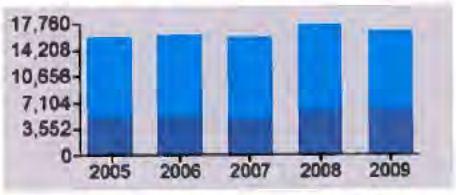
Organization: Along with departmental offices, the Department's mission is carried out through the following bureaus: Fish and Wildlife Service; U.S. Geological Survey; Indian Affairs; the Bureau of Land Management; Minerals Management Service; National Park Service; Bureau of Reclamation; and Office of Surface Mining.

Personnel: Interior is a large, decentralized agency with over 67,000 full time, part time, and seasonal employees located at approximately 2,400 operating locations across the United States, Puerto Rico, U.S. territories, and freely associated states. Each year, thousands of volunteers help our employees to achieve our goals..

Budgetary Resources: The budgetary resources for FY 2008 totaled $18.571 billion or $61.57 per taxpayer.

Budget Snapshot

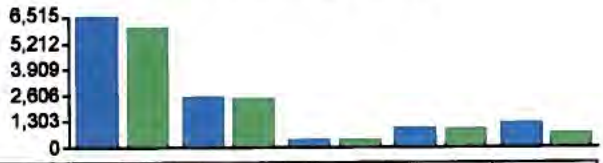
Total Spending FY 2005-2009



	2005	2006	2007	2008	2009
Mandatory	5,062	5,266	4,816	5,904	6,093
Discretionary	10,777	10,856	10,987	11,667	10,448
Total	15,839	16,122	15,803	17,571	16,541

$ In Millions

Top 5 Programs By Budget



	Land Management and Conservation	Indian and Insular Programs	Energy	Science	Water Management
2008	6,515	2,523	377	980	1,272
2009	5,976	2,411	381	942	738

$ In Millions

Performance Snapshot

Accomplishments: As the Nation's principle conservation agency, Interior managed over 500 million acres of public lands, including 548 wildlife refuges and 391 national park units; provided water for 31 million people and delivered irrigation water to one of every five western farmers; conducted five Outer Continental Shelf lease sales of 11.7 million acres that contributed to America's energy security goals and brought $9.5 billion to the U.S. Treasury; supplied about 30 percent of the Nation's energy production through energy projects on federally managed lands and offshore areas; provided for over 460 million visitors participating in recreational opportunities on Interior-managed lands and waters; and provided education services to approximately 42,000 Indian children.

Challenges: Dealing with the impacts of climate change on land, water, wildlife and changing landscapes; balancing conservation and recreation with the Nation's need for energy security through access to mineral resources; improving life in Indian communities through academic achievement and reduction in the crime rate.

Financial Snapshot

Clean Opinion on Financial Statements			Yes
Timely Financial Reporting	Yes	Material Weaknesses	1
Improper Payment Rate	0.03%	Total Assets	$70,679
Total Liabilities	$11,828	Net Cost of Operations	$16,246

$ In Millions

2a

BUDGET TRENDS

Current Authority:

- In nominal dollars, the DOI budget increased +106.4% from 1988-2008 and +36.3% from 1998-2008 . However, since 2001 our budget has only increased +6.71%.

- In constant dollars, the DOI budget increased +27.74% from 1988-2008 and +8.22% from 1998-2008. Since 2001 our budget has actually declined -10.36%.

Receipts:

- Receipt collections fund bureau operations (e.g., Recreation fees) and provide revenues to States and counties. About 70% of collections go to the General Fund.

- In nominal dollars, receipt collections have increased +345.1% since 1988 and +235.8% since 1998. Since 2001 collections have increased +120.9%.

- In constant dollars, receipt collections have increased +175.4% since 1988 and +166.6% since 1998. Since 2001 collections have increased +85.5%.

FTE:

- From 1988-2008 FTE usage decreased -2,952 FTE (-4.2%). From 1998-2008 our usage has increased +882 (+1.35). More recently, usage from 2001-2008 has decreased by 1,297 FTE (-1.9%).

- Starting in 1993, the DOI began an NPR initiative to streamline administrative functions and management levels. Between 1993 and 1998, FTE levels dropped from 76,880 to 65,740.

- FTE levels increased slightly from 1998 and then increased greatly in 2001 when Fire FTE usage increased from the 2,500-3,000 range to over 4,800 in 2003, a particularly bad fire year. Current Fire usage now is about 4,500.

- The decline in non-Fire FTE from 2001 reflects in large measure our Fixed Costs absorptions.

Fixed Costs:

- DOI is a personnel intensive agency compared to many other agencies who primarily issue grants (eg. Education) or contracts (eg. Energy Department). Payroll consumes more than 50% of our obligations.

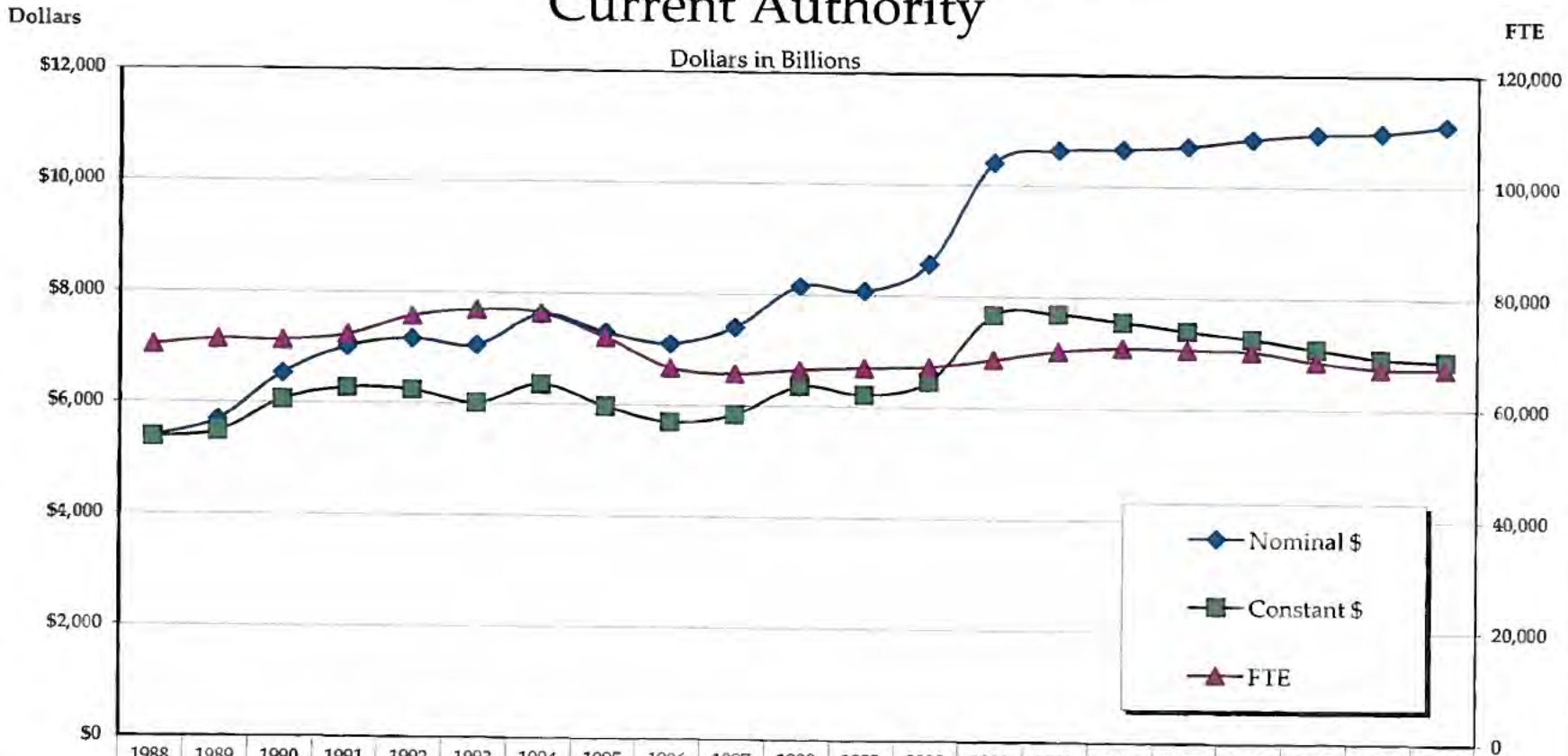
- Since 2002, the budget requests have often not fully funded Fixed Costs needs. Congress would fund the budget request but would enact a higher pay raise enacted later in the General Government Appropriations Act.

- DOI has absorbed $470.5m (35.7%) in fixed costs since 2001 or $445.7million in constant dollars.

- Unlike other agencies, Interior does not budget for inflationary increases in contracts, postage, or travel and transportation increases. A little over 20% of the DOI obligations are contracts and other services. The absorption for these items is not included in the above figures.

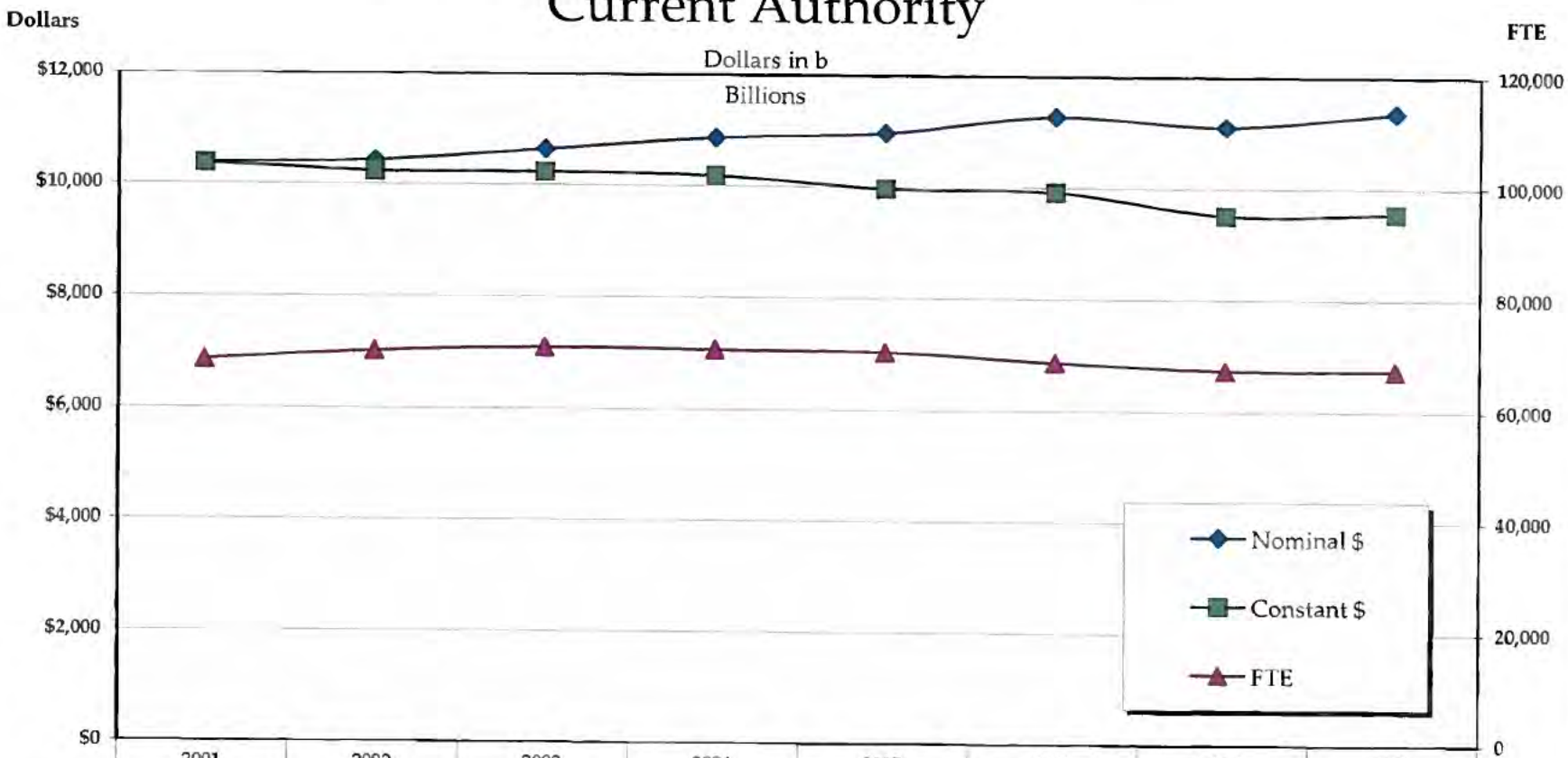
- The salary of a GS 12-6 has increased from $51,191 to $67,329 (+31.5%) since 1998. Additionally, increasing numbers of employees are under the FERS retirement system which requires agencies to pay for retirement benefits. A FERS employee costs at least 15.4% more than a CSRS employee.

U.S. Department of the Interior
Current Authority



	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Nominal $	5,383	5,694	6,531	7,011	7,159	7,051	7,611	7,295	7,106	7,412	8,153	8,079	8,575	10,413	10,649	10,675	10,730	10,864	10,955	10,989	11,112
Constant $	5,383	5,481	6,062	6,272	6,242	6,016	6,358	5,968	5,703	5,847	6,354	6,215	6,466	7,671	7,698	7,563	7,410	7,270	7,095	6,932	6,876
FTE	70,335	71,372	71,232	72,345	75,708	76,880	76,371	72,012	66,702	65,728	66,488	66,956	67,260	68,666	70,283	70,952	70,664	70,415	68,694	67,419	67,373

U.S. Department of the Interior
Current Authority

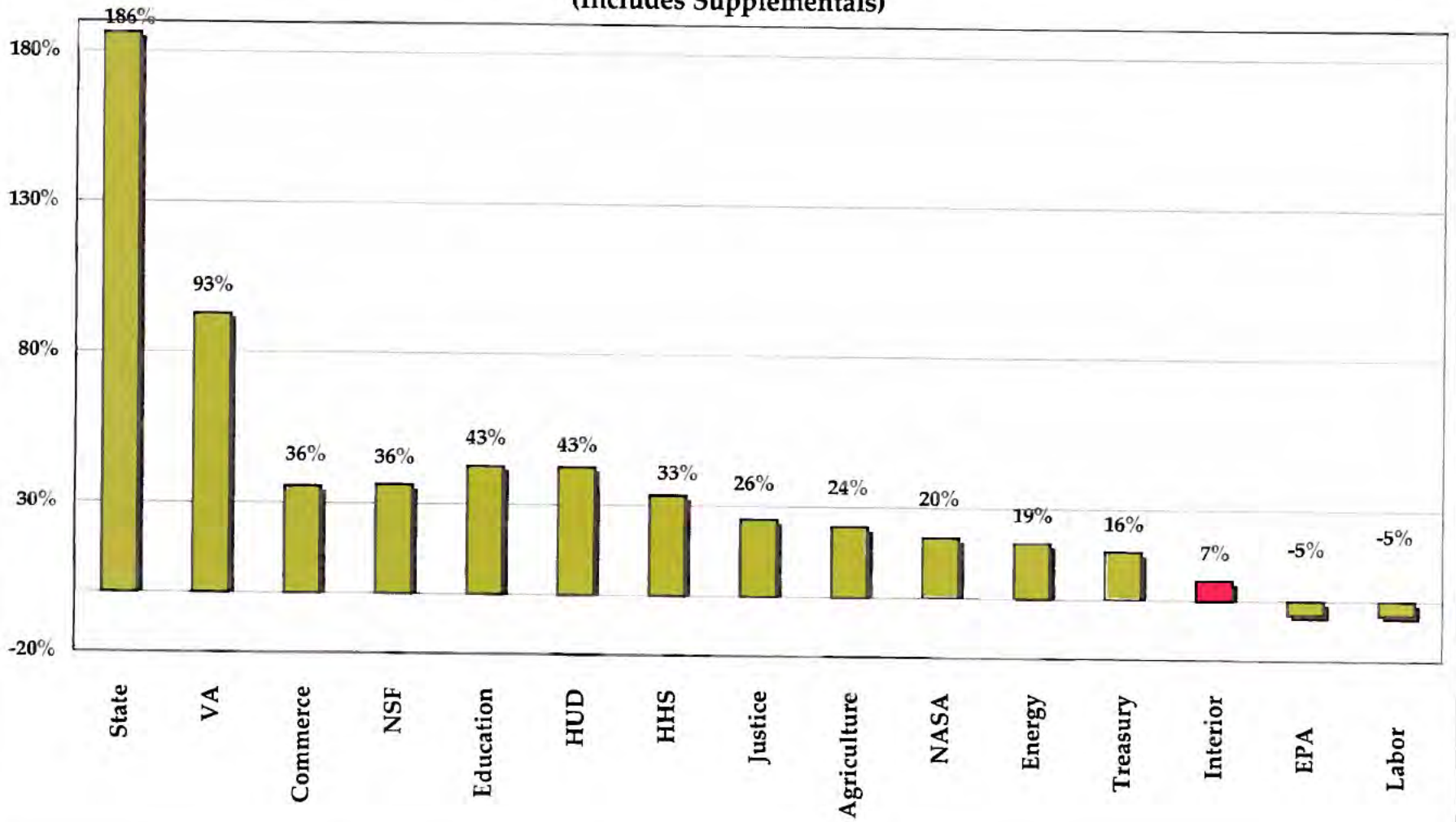


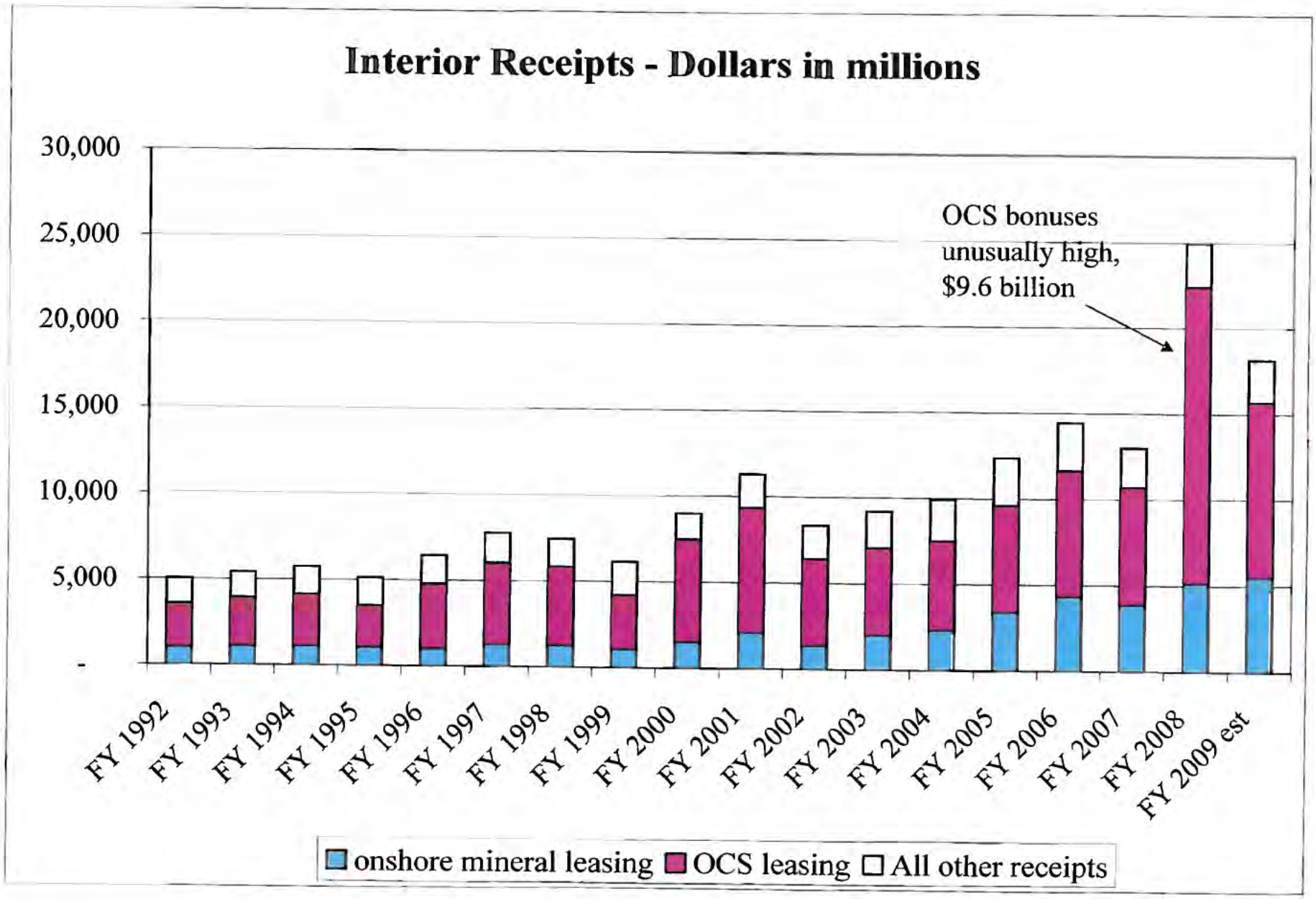
	2001	2002	2003	2004	2005	2006	2007	2008
Nominal $	10,378	10,437	10,647	10,869	10,976	11,284	11,112	11,361
Constant $	10,378	10,241	10,240	10,188	9,969	9,921	9,514	9,543
FTE	68,666	70,283	70,952	70,664	70,415	68,694	67,419	67,373

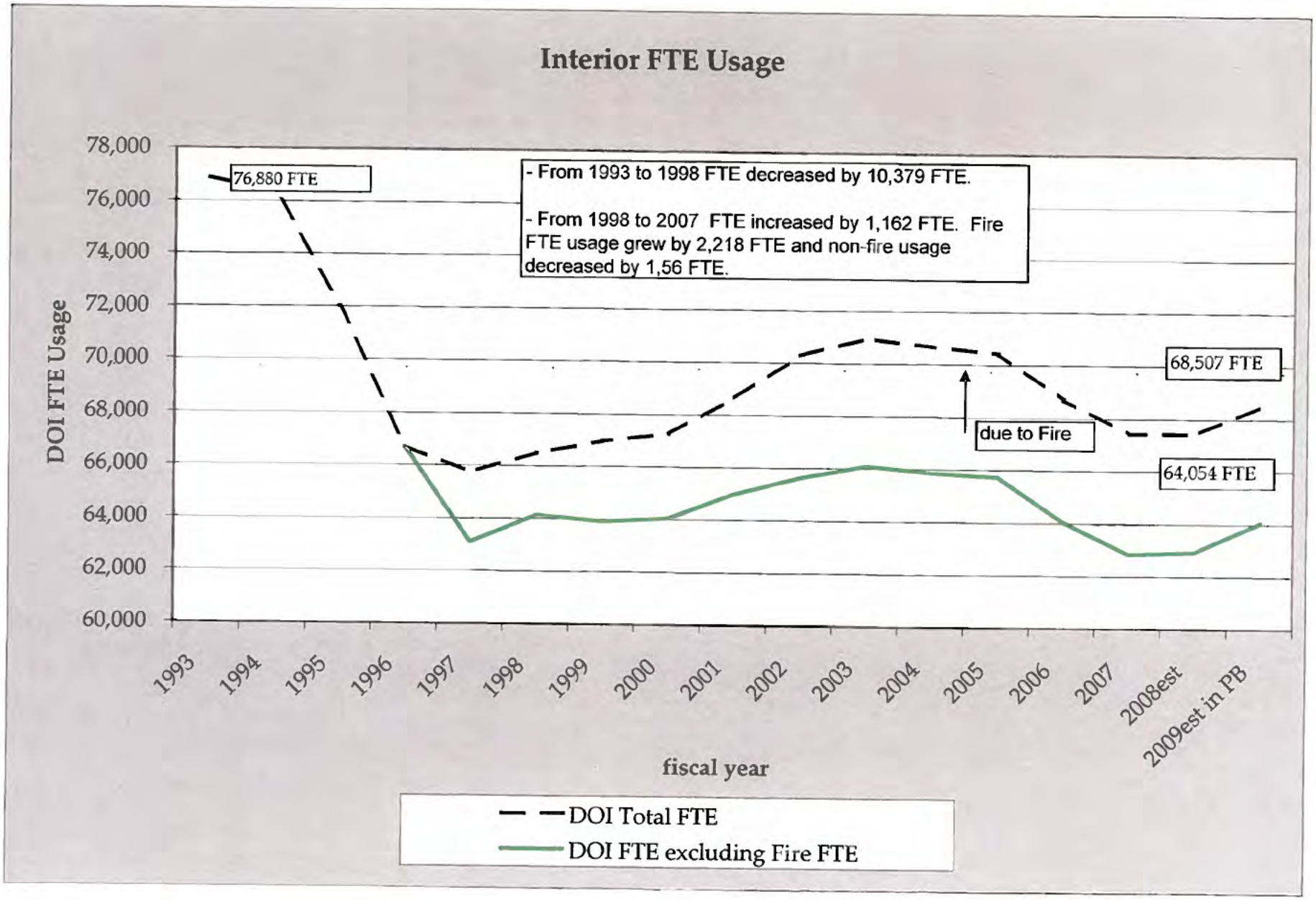
Interior Compared to other Agencies

Percent Change from FY 2001 to FY 2008

(Includes Supplementals)



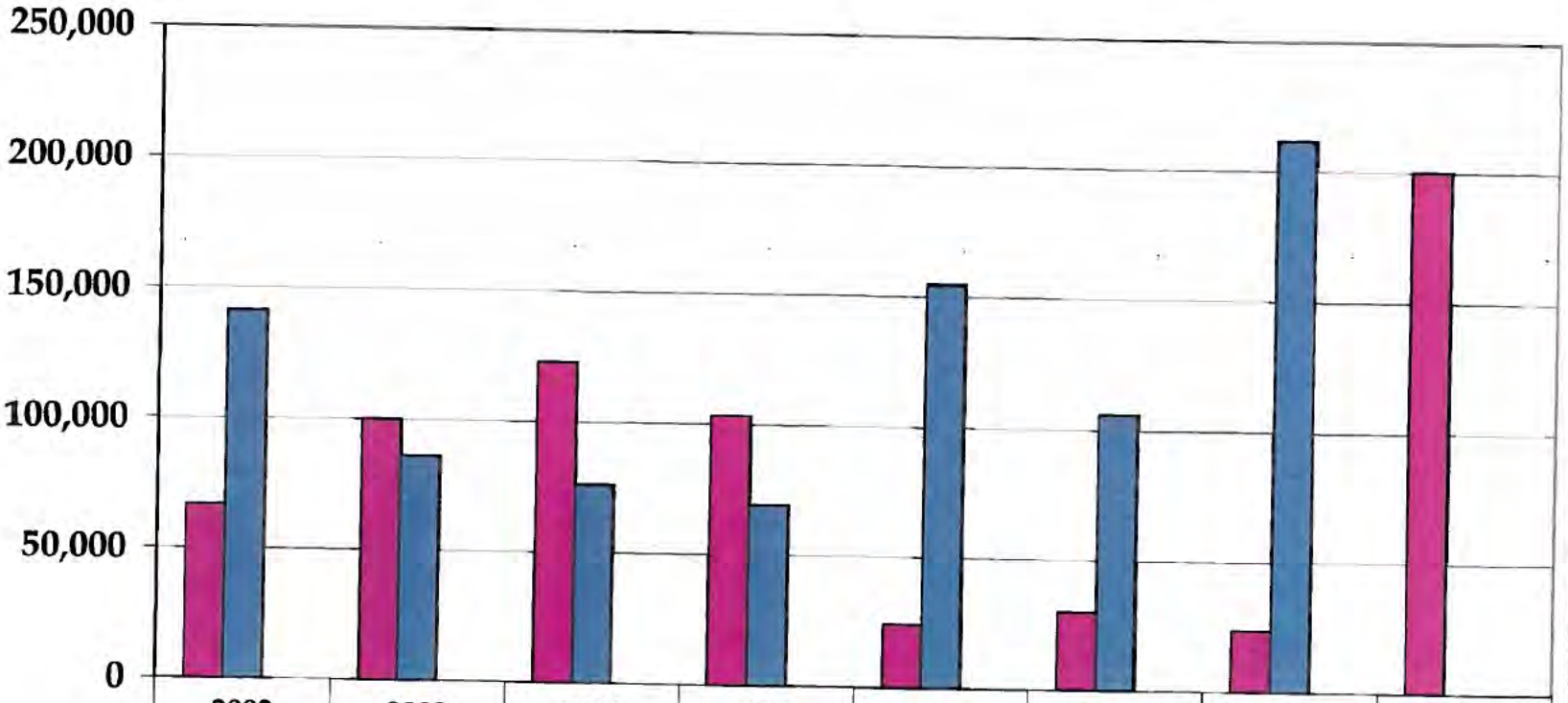

Interior Receipts - Dollars in millions
30,000
25,000
20,000
15,000
10,000
5,000
-
OCS bonuses unusually high, $9.6 billion
FY 1992
FY 1993
FY 1994
FY 1995
FY 1996
FY 1997
FY 1998
FY 1999
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005
FY 2006
FY 2007
FY 2008
FY 2009 est
onshore mineral leasing
OCS leasing
All other receipts


Interior FTE Usage
78,000
76,000
74,000
72,000
70,000
68,000
66,000
64,000
62,000
60,000
DOI FTE Usage
76,880 FTE
- From 1993 to 1998 FTE decreased by 10,379 FTE.
- From 1998 to 2007 FTE increased by 1,162 FTE. Fire FTE usage grew by 2,218 FTE and non-fire usage decreased by 1,56 FTE.
68,507 FTE
due to Fire
64,054 FTE
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008est
2009est in PB
fiscal year
DOI Total FTE
DOI FTE excluding Fire FTE

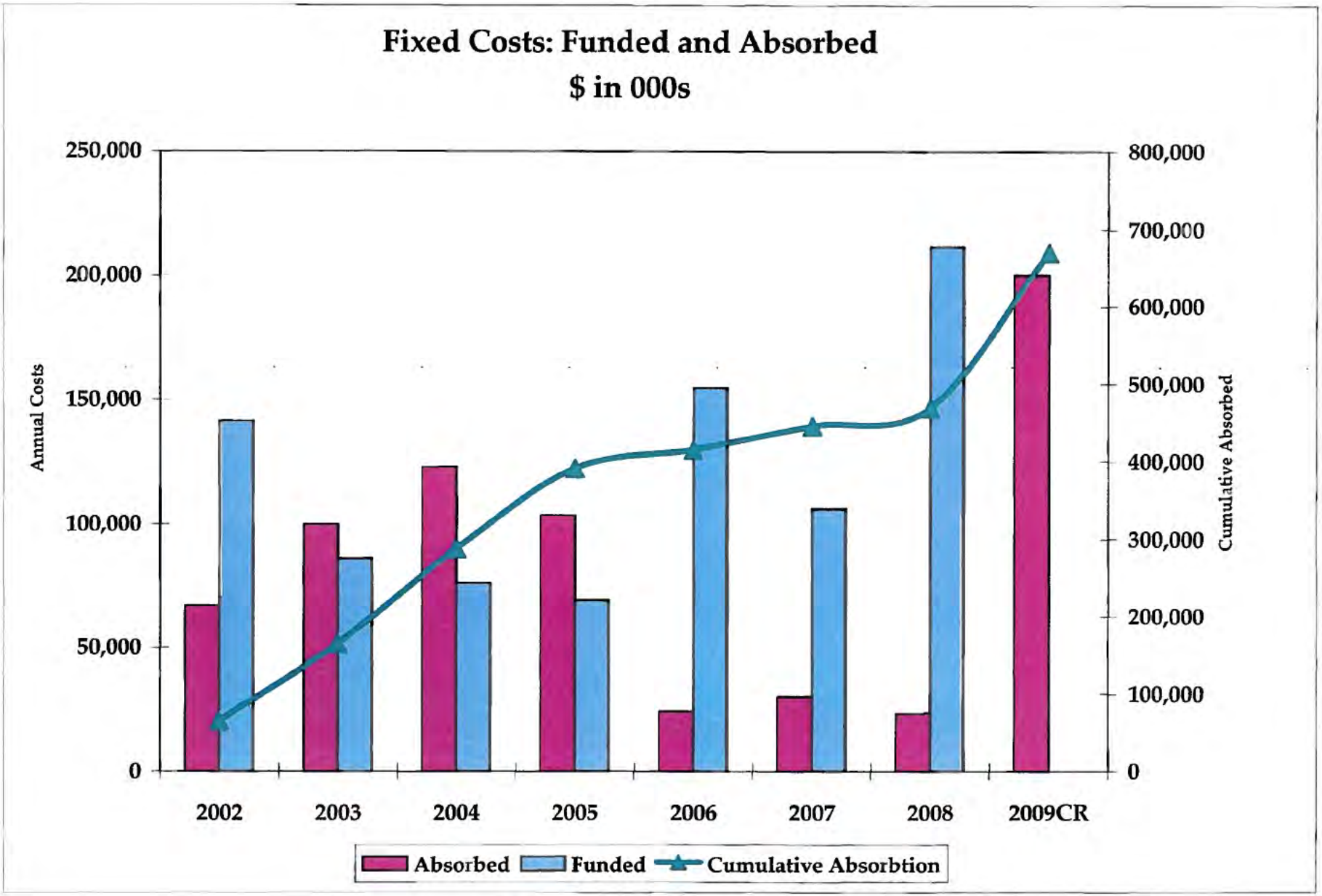
Department of the Interior FTE History: Full-time Equivalent Staff Year (FTE) Usage of Bureaus and Offices

Bureau/Office	FY 1998 Usage	FY 1999 Usage	FY 2000 Usage	FY 2001 Usage	FY 2002 Usage	FY 2003 Usage	FY 2004 Usage	FY 2005 Usage	FY 2006 Usage	FY 2007 Usage	FY 2008 Usage	FY 2009 Estimate
Land Management	10,001	9,841	9,938	10,373	10,917	11,219	11,143	10,958	10,668	10,567	10,626	10,548
Minerals Management	1,693	1,745	1,771	1,743	1,732	1,701	1,717	1,762	1,641	1,600	1,600	1,615
Surface Mining	637	645	636	627	617	595	567	542	528	528	525	523
Reclamation	5,875	5,786	5,632	5,609	5,634	5,721	5,750	5,731	5,630	5,510	5,344	5,628
Water Res. & Tech. Geological Survey	9,677	9,482	9,417	9,527	9,611	9,448	9,002	8,920	8,578	8,368	8,355	8,022
Mines												
Fish and Wildlife Biological Survey	7,770	8,117	8,360	8,530	8,908	9,248	9,345	9,170	8,910	8,749	8,704	8,746
National Parks	19,421	19,918	19,808	20,289	20,505	20,574	20,399	20,485	20,056	19,832	20,301	21,649
Indian Affairs	9,600	9,343	9,241	9,407	9,667	9,617	9,712	9,664	9,233	8,731	8,404	8,577
TIA/OIA	28	29	32	30	30	30	37	39	36	37	37	39
Secretary *	757	594	616	642	681	621	719	795	856	774	783	722
*Wash. Admin. Service	103	482	744	817	859	1,020	1,027	1,034	1,209	1,344	1,315	1,388
Solicitor	368	378	384	383	389	406	414	408	396	395	401	402
Inspector General	240	238	251	253	251	252	252	265	261	259	251	273
Ofc of Special Trustee	281	312	357	362	415	437	507	565	607	629	626	669
Nat'l Indian Gaming Cmsn	38	47	71	74	67	63	71	77	86	96	103	129
TOTAL, Interior Departme	66,488	66,956	67,260	68,666	70,283	70,952	70,664	70,415	68,694	67,419	67,373	68,930
Utah Mitigation Commissi	13	13	14	14	14	12	12	11	10	10	10	12
TOTAL	66,501	66,969	67,274	68,680	70,297	70,964	70,676	70,426	68,704	67,429	67,383	68,942

Fixed Costs: Funded and Absorbed
$ in 000s



	2002	2003	2004	2005	2006	2007	2008	2009CR
Absorbed	66,870	99,839	122,728	103,323	24,115	30,081	23,588	200,197
Funded	141,470	86,182	76,073	69,224	154,823	106,160	211,750	0
% Funded vs Need	67.9%	46.3%	38.3%	40.1%	86.5%	77.9%	90.0%	0.0%


Fixed Costs: Funded and Absorbed
$ in 000s
Annual Costs
Cumulative Absorbed
250,000
200,000
150,000
100,000
50,000
0
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
2002
2003
2004
2005
2006
2007
2008
2009CR
Absorbed
Funded
Cumulative Absorbtion

BUDGET FORMULATION

Budget Cycle

In the usual budget cycle, when there is no Presidential transition, the Department's budget estimate is sent to the Office of Management and Budget around Labor Day. OMB provides a set of decisions based on the Department's submission or "passback" around Thanksgiving. The Department's appeals to OMB passback and negotiations are settled around Christmas and the President transmits the budget to Congress the first Monday in February.

Prior to 1993, outgoing Presidents typically presented a final policy budget before leaving office and it was up to the incoming Administration to submit an amendment. That practice changed with Presidents Clinton and George W. Bush, who submitted original budgets for FY 1994 and FY 2002 as incoming Presidents. They submitted abbreviated documents that presented their general economic and budgetary policies, which were detailed in materials submitted in early April.

President George W. Bush has already signaled that he will not submit a budget for Fiscal Year 2010. OMB Director Jim Nussle announced in April 2008 that the 2010 budget will be submitted by the next President, but that the Bush Administration would prepare a budget database including a current services baseline and would gather information on 2010 program estimates from which the incoming Administration could develop its budget proposal.

2009 Budget

The Department is currently operating under a continuing resolution that is in effect through March 6, 2009. It maintains funding at the 2008 enacted level under terms and conditions contained in the 2008 Consolidated Appropriations Act.

2010 Calendar

The attached calendar shows the general timelines for Fiscal Year 2010 budget preparation. It should be used as a general guideline as dates have not been issued by the new Administration. It is likely that OMB guidance on budget preparation will not be forthcoming until January 2009. Based on the prior transitions, the Department will receive economic and policy assumptions and a passback in early February, with appeals and negotiations to follow. Decision-making will be concluded by mid-March to permit preparation of the documents that support the President's budget. The President's budget will be released in early April. With release of the budget, the Secretary will hold a press conference. This will be followed by congressional hearings on the budget. In May, Congress will begin marking up the appropriations bills, which will extend through the summer into early fall.

In readiness for FY 2010 budget decision-making, the Department's bureaus and offices submitted budget requests in June 2008. These submissions will be the basis for formulation of a FY 2010 budget proposal. Decision making on a 2010 budget that conforms to Presidential policy cannot begin until OMB provides planning guidance and the general budgetary and economic assumptions for 2010 are available from OMB.

The Secretary's success and ability to influence the budget process will be tested immediately with the FY 2010 passback and appeals process. The time provided to respond to OMB's passback and for appeals will be very short – likely only four to five days. It will be important to strike a balance between seeking adequate resources for the Department while at the same time supporting Administration goals for deficit reduction and budget discipline.

Appropriations

The Appropriations Committees are responsible for annual appropriations for cabinet agencies along with oversight of operations and management of agency programs. Guidance and the long-standing comity between the appropriators and the Department, require notification of significant shifts in funding and staffing as well as organizational changes. Through the submission of budget materials, the exchange of information at the staff level, and hearings and briefings, the appropriators stay informed on the policies and priorities of the Department's bureaus and offices as well as upcoming events and issues.

The annual appropriations acts contain the text of legislation that authorizes the spending levels for bureaus and programs. It also contains numerous legislative provisions that address procedural and policy issues for Interior and some that are bill-wide. It was the appropriations provision on Outer Continental Shelf oil and gas leasing that tied up FY 2009 appropriations action throughout the summer and fall and ultimately resulted in a 2009 continuing resolution that is in effect through March 2009.

There is also extensive direction in the reports accompanying the House, Senate, and Conference bills. Additional direction is provided when bills are debated in House and Senate floor action. There is a defined amount of discretion provided in the execution of the Department's programs that is guided by reprogramming guidance.
The majority of Interior's earmarks are not in statute but are contained in the House and Senate reports and statement of the managers that accompany appropriations bills. The earmarks in operating accounts tend to be continuing, whereas earmarks in grant, construction, and land acquisition accounts are project based and generally are not recurring.

Support for the Administration's policies and initiatives through the appropriations process will be influenced by the ability of the Department to communicate on these matters. At the earliest opportunity, after the 111th Congress sorts out leadership, the Secretary should schedule visits to the Chairman and Ranking Minority on appropriations subcommittees of jurisdiction.

January 2009

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 **NEW YEAR'S DAY**	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19 HOLIDAY: **MARTIN LUTHER KING, JR. DAY**	20 **INAUGURATION DAY**	21	22	23 DOI BUDGET INSTRUCTIONS ISSUED	24
25	26 2010 PASSBACK FROM OMB	27 BUDGET NEGOTIATIONS	28	29	30 BUDGET SETTLEMENT	31

February 2009

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 PRESIDENT SUBMITS BUDGET BLUEPRINT	3 DRAFT 2010 PRESIDENT'S BUDGET SUBMISSION PREPARATION	4	5	6	7
8	9	10	11	12	13	14
15	16 **PRESIDENT'S DAY**	17	18	19	20	21
22	23	24	25	26	27	28

March 2009

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 DRAFT 2010 PRESIDENT'S BUDGET SUBMISSION PREPARATION	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2009

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6 - RELEASE OF PRESDIDENT'S BUDGET - BUDGET IN BRIEF RELEASED - JUSTIFICATIONS RELEASED - PRESS CONFERENCE	7 AUTHORIZING BRIEFINGS	8	9	10	11
12	13 HEARINGS BEGIN	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Bureau of Land Management

Wild Horse and Burro Management program:

- Increased costs and wild horse populations have prevented BLM from getting to the desired level – appropriate management level or AML – for protection of public range lands.
- In 2009, BLM will need to reprogram $14.7 million and redirect $3.8 million in carryover, for a total program budget of $54.5 million. Under the CR, $9.3 million of these amounts will be redirected to fund the program through March 6, 2009.
- In 2009, BLM will implement a stewardship initiative to pay individuals to take horses from long-term holding and is expecting a potential large-scale adoption or purchase by a private individual.
- A GAO report issued in October 2008 informs Congress that BLM is not implementing the intent of the Wild Horse and Burro Act of 1971, to sell or euthanize horses that are not adoptable. BLM has not modified its program to address this criticism, but has discussed it with stakeholders. BLM is considering other actions, such as fertility control and herd manipulation.
- Assuming that BLM does not begin euthanizing or selling horses, a decision is needed by February about a potential increase in the 2010 budget to continue implementation of the WH&B program.
- A decision is needed imminently relative to the 2010 budget levels for the program. A decision is needed by March 2009 on the full year reprogramming.

Alaska Legacy Wells:

- The Department executed a Section 102 transfer of $8.9 million to remediate the Atigaru legacy well site on the Alaska North Slope this winter (2008-2009) to avoid release of contaminants into the Beaufort Sea next summer.
- A decision will be needed by February 2009 as to the funding level in the 2010 budget for legacy well clean-up. The next priority clean-up is Drew Point, scheduled for the 2009-2010 winter and is anticipated to cost $23 million.
- OMB was not supportive of the emergency transfer for Atigaru and will likely not support a 2010 budget request for legacy wells.

Grazing Permits:

- The CR continues authority for BLM to renew expiring grazing permits under existing terms and conditions.
- BLM has a backlog and the number of permits expiring begins to accelerate in 2009.
- The current range management fees do not cover the cost of permit review and issuance.
- A decision will need to be made by February 2009 as to whether the budget should extend the provision that allows renewals and if funding should be increased for the program.

National Landscape Conservation System:

- In 2009 BLM restructured its budget to create a line item for national monuments and national conservation areas.
- A decision will need to be made as to whether further consolidation is desired to include new subactivities for Wild and Scenic rivers and National Scenic and Historic Trails. To do so would require a decision in February 2009.

Abandoned Mines:

- BLM is challenged to conduct large-scale remediation of a 150-year legacy of abandoned hard rock mines on public lands within the current budget. BLM has funded AML projects from multiple funding sources, including its operating account, the DOI Central Hazardous Materials Fund, and the Southern Nevada Public Lands Management Account. The largest and most stable of these funding sources is the annual operating budget of $8.5 million.
- There is also significant work needed to conduct a thorough inventory of these sites, however, BLM has focused on remediation to protect local communities.
- There is no dedicated funding source for these sites other than regular discretionary appropriations from the General Fund, as the current $125 per site maintenance fee funds administration of the mine program and BLM is not able to keep funds excess to the costs of administration.
- Unlike OSM's Abandoned Mine Reclamation Fund, which is funded from a per-tonnage charge for coal, BLM has no dedicated source of funding from industry for this program.
- A decision needs to be made by February 2009 as to whether to include a revenue proposal in the 2010 budget, for example instituting a royalty on hard rock minerals that could be used for AML remediation. This would be a legislative proposal to accompany the budget.

Coal Fee:

- The 2008 and 2009 budgets proposed a change in the way in which the successful bidders of coal leases pay their bonuses. Rather than being allowed to pay the bonus over a five year period, the Department proposed to collect the bonus at the time of sale – consistent with oil and gas bonus payments.
- Initially the 2009 scoring advantage was $385 million, however with sale delays this was reduced to $185 million.
- The Congress has not adopted this proposal although indications are that they may do so in 2009 if there is an appropriation bill.
- A decision will need to be made by February 2009 as to whether to propose this again in 2010 as a legislative proposal to accompany the budget.
- In a related fashion, the House Appropriations Committee has questioned the BLM coal lease sales process relative to the need have prescribed lease sales more along the lines of the MMS process.

Energy Policy Act Pilot/Geothermal Authorization/APD Fee:

- The Energy Policy Act of 2005 created oil and gas pilot offices for BLM to advance issuance of Applications for Permits to Drill and funded these from rental income that was previously going to the Treasury. The Act also redirected funds (approximately $21-25 million annually) that were going to Treasury to BLM for geothermal program administration and to payments to states and counties for geothermal revenue sharing.
- Recent budgets have proposed to reverse the EPAct actions and instead have BLM fund these from discretionary sources and through cost recovery (an APD fee established in regulation).
- The 2008 Appropriation Act initiated a $4,000 APD fee that offsets appropriations.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.
- Similarly, the 2010 budget discussions within the Department included the expansion of the pilot office concept for alternative energy programs.

Federal Lands Facilitation Act:

- Authorization for FLTFA does not expire until 2010; however, recent budgets have proposed expansion of the program to allow the use of funds for restoration, to include lands included in more recent management plans, and to direct a portion of the revenues to Treasury.
- Annual collections into the FLTFA account are about $30 million.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

Range Improvement:

- Recent budgets have proposed to terminate the range improvement appropriation of $10 million which funds guzzlers and other improvements from a combination of revenues and appropriated funds.
- Each year the Congress ignores the proposal and retains the $10 million in the appropriation.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

Service First:

- Service First, which expired in September 2008, was extended in the CR.
- This program is key to the operation of innovative partnership offices where Forest Service and BLM are collocated and provide customers with one-stop service. Recent legislative changes have expanded the program to include NPS and FWS.
- A decision needs to be made by February 2009 as to whether to extend the authorization in the 2010 budget.

Arctic National Wildlife Refuge:

- Recent budgets have proposed to begin development of an oil and gas program on the refuge.
- Anticipated revenues in the first year of lease sale has been on the order of $7 billion, which would be shared 50/50 with the State of Alaska
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

Other programs to be considered in the budget:

- **Healthy Lands Initiative:** Funding to facilitate the protection and restoration of land health. Congress has provided increases in the last several years, although at levels lower than requested.
- **Alternative Energy:** Funding to support wind, solar, geothermal and other access, management, inspection and monitoring. On January 16, the Bush Administration announced that BLM was moving ahead to establish offices that would coordinate permitting of wind, solar, biomass, and geothermal projects along with electrical transmission facilities.

Minerals Management Service

Royalty in Kind:

- The Royalty in Kind program has the potential to increase revenues to the Treasury if expanded.
- Associated administrative and transportation costs can be deducted, but the scope of the program impacts budget scoring.
- A decision needs to be made by February 2009 about the scope of the program that will be implemented in 2010 for presentation in the budget.

Net Receipts Sharing:

- The 2008 and 2009 budgets proposed to implement net receipts sharing, whereby States pay a portion of the costs of administering the Federal mineral leasing program. The legislative proposal was not acted on, but was incorporated into the 2008 Appropriations Act.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

DOE Transfer from OCS Revenue:

- The Energy Policy Act authorizes an annual transfer of $50 million from OCS revenue to DOE for research that has been proposed for repeal in recent budgets.
- Congress included this as a scoring offset in the 2008 appropriation bill.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

Deep Gas/Deepwater Incentives:

- The 2009 budget proposed to repeal deep gas and deepwater incentives authorized in the Energy Policy Act of 2005.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

OCS Oil and Gas Leasing Program:

- On January 16, the Bush Administration announced the Draft Program Proposal for the 2010-2015 Five Year program, expanding areas to be considered for development.
- Continued implementation of the 2007-2012 five year program for OCS leasing requires additional funding for pre-leasing, including potentially the mid-Atlantic Coast beginning in 2012.
- In July 2008 the Presidential Executive Withdrawal on OCS were lifted. The long-standing congressional moratoria were lifted in the 2009 CR. MMS has initiated new five year program planning.
- A decision needs to be made by February 2008 as to whether the 2010 budget will fund these activities and if the budget will propose moratoria language.

Other programs to be considered in the budget:

- **Alternative Energy Programs:** Funding to facilitate the development of alternative energy capabilities on the OCS.
- **Ongoing Investigations, Audits, and Evaluations**: Implementation of improvements recommended by the Government Accountability Office, the Royalty Policy Committee, and the Department of the Interior's Inspector General. On January 16, the Bush Administration implemented a reorganization responsive to these recommendations.

<u>Office of Surface Mining Reclamation and Enforcement</u>

Emergency Abandoned Mine Reclamation:

- The 2009 budget proposed to eliminate $21 million in Federal funding for emergency reclamation projects. Instead the budget proposed that the mandatory funding increases provided to States should be used.
- OSM retained sufficient carryover in 2009 in order to continue to fund the program and the appropriations are not reduced under the CR.
- A decision needs to be made by February 2009 as to whether to fund the emergency program in 2010.

Programs to be considered in the budget:

- **Regulatory Grants to States:** Grants to States for regulation of surface mining.
- **OSM Reforestation to Support Climate Change Efforts:** The initiative applies strong science to forest reclamation since the world's forests are the primary means by which carbon is naturally sequestered.

Bureau of Reclamation

Klamath Basin Restoration Agreement:

- The Secretary announced a pending agreement with Klamath Basin stakeholders that commits to a multi-year study of the potential for dam removal.
- The study would cost $10-12 million over four years. Efforts to begin to plan for the study have not begun, although discussions have been held about the potential to share the costs of the study among Reclamation, FWS, BIA and BLM.
- A decision will be needed by February 2009 as to the level of funding from Reclamation and potentially from other bureaus for this beginning in 2010.

Indian Land and Water Settlements:

- A significant number of settlements are under active consideration and are in the Omnibus Public Lands Management Act that passed the Senate on January 15.
- Reclamation and BIA will be responsible for funding costs.
- The Department's policy is to fund these settlements once enacted into law, however these should be considered in the 2010 budget negoitations.

Pick-Sloan:

- The 2009 budget proposed to reallocate the costs of the Pick-Sloan Missouri Basin program, with power customers paying the full costs of repayment totaling $23 million.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

San Joaquin River Restoration Fund:

- The 2009 budget included a legislative proposal for the San Joaquin River Restoration Settlement Act (introduced as S 27), which would establish the San Joaquin River Restoration Fund and redirect $7.5 million per year from the Central Valley Project and $9.8 million from the Reclamation Fund.
- A decision is needed by February 2009 as to whether there will be a legislative proposal to accompany the 2010 budget.

Programs to be considered in the budget:

- **Safety of Dams:** Approximately 50 percent of Reclamation's dams are 50-100 years old. The SOD program addresses needs on a prioritized basis.
- **Loan program:** Significant works were transferred to water management entities that are in need of repair and modernization. The loan program provides a vehicle for these entities to get financing.
- **CALFED:** Provides increased funding to accelerate mitigation efforts in a critical water-short area.
- **Rural Water Projects:** Provides increased funding to accelerate projects that deliver water to Tribes and isolated communities.

- **Title XVI:** The program, which funds water conservation and reuse, has largely been funded through earmarks and add-ons and is normally proposed for reduction in the budget.
- **Red Bluff Pumping Plant (Sacramento River Division), CVP:** Provides increased funding to accelerate mitigation.

U.S. Geological Survey

Land Imaging and Geospatial Standards:
- In 2008 OSTP released a report recommending that USGS be assigned the responsibility for an integrated national geospatial program.
- The 2009 budget proposed $2 million to begin planning to extend satellite remote sensing (NLIP) with potential out year costs of more than $100 million annually.
- A decision needs to be made by February 2009 as to whether this strategy will be pursued.

Extended Continental Shelf - Law of the Sea:
- The 2009 budget included $4 million to begin mapping to demarcate the edge of the continental shelf in the Arctic Ocean in order for the United States to support its claim under the Law of the Sea.
- A decision is needed to continue research efforts on the continental shelf and to provide adequate funding by February 2009.

Programs to be considered in the budget:
- **Climate Change:** An increase of $7 million was provided in 2008 for climate change science.
- **Polar Bear**: USGS and FWS have developed a strategic plan and are redirecting funds in 2009 to fund needed work.
- **Hazards:** USGS is the preeminent provider of information to improve understanding, prediction, warning, and monitoring of natural hazards.
- **Infrastructure:** USGS has a significant number of owned laboratories and other facilities that have large maintenance backlogs and are becoming increasingly outdated.
- **Minerals and NAWQA:** Both programs were proposed for significant reduction in the 2009 budget, which likely would not be sustained by the Congress.

Fish and Wildlife Service

Duck Stamp:
- The 2009 budget assumed a legislative proposal to increase the price of the duck stamp from $15 to $25.
- The price has not been increased since 1991 and this increase would generate $14 million that could acquire 6,800 acres in fee and 10,000 conservation easement acres.

Endangered Species:
- The Appropriations Act includes a long-standing cap on funding that can be used for listing and designation of critical habitat in order to contain court-ordered spending and prevent the redirection of other funding to these activities.
- A decision is needed by February 2009 as to whether to continue this language in the 2010 budget.
- On December 11, 2008, new ESA rules went into effect that impact Section 7 consultation and timelines for informal consultation. These actions do not appear to have budget implications.

Oil and Gas on Refuges:

- Currently the refuge system does not have an adequate inventory of oil and gas operations and lacks a comprehensive program to manage these activities that were, for the most part, in existence when the refuges were established.
- A decision is needed by February 2009 as to whether a legislative proposal or budget initiative should be included in the 2010 budget.

Marine Monuments:

- On January 6, 2009, the Bush Administration designated three areas as marine monuments that will be management in concert with NOAA. No funding has been budgeted for these puroposes.

Programs to be considered in the budget:

- **Refuges:** The 2008 appropriation provided an increase of $35 million. There is not a comparable increase in the 2009 budget, however there is an increase of $31 million in the omnibus pending congressional action. No provision has been made in the budget to address a backlog of oil and gas operations on refuges that require expanded inventory, monitoring, and remediation.
- **Law Enforcement:** The Department's requirement to eliminate collateral duty law enforcement refuge officers reduced the presence of qualified law enforcement on refuges.
- **Eagle Permitting:** Delisting the eagle necessitates the creation of an eagle permitting program.
- **Polar Bear**: USGS and FWS have developed a strategic plan and are redirecting funds in 2009 to fund needed work.

National Park Service

Park Centennial:

- The 2008 and 2009 budgets included increased operations funding to ready parks for the upcoming centennial in 2016.
- In 2008, $25 million was allocated to Centennial projects. Under the CR in 2009 , $10 million has been allocated to Centennial projects.
- The budgets also proposed a mandatory $100 million per year for ten years to be matched by contributions and partners.
- A decision is needed by February 2009 as to whether the Centennial will be included in the 2010 budget and if a legislative proposal will accompany the budget.

Everglades Restoration:

- The 2009 budget funded the Modified Water Deliveries project – Tamiami Trail one-mile bridge in the Corps of Engineers budget and in the NPS budget. The appropriators are willing to fund the project costs of $60 million wholly in the Interior budget. This resolves issues and consolidates project funding with the agency and subcommittee that most aggressively supports the project.
- A decision will be needed by February 2009 as to the continuation of this strategy.
- Language is needed to allow the project to continue in the face of ongoing litigation and to secure the next stage of planning for the mod waters project.

U.S. Park Police:

- Release of an OIG report on needed improvements in the U.S. Park Police spurred the creation of the Management Oversight Team and a change in leadership to bring about change. Key issues include declining officer force, icon protection, and significant management issues.
- NPS plans to reprogram within the 2009 CR to maintain officer strength.
- Decisions regarding USPP funding priorities to be made by February 2009.

Programs to be considered in the budget:

- **Heritage areas:** The annual budget has proposed significant reductions in funding for heritage areas, which are restored by Congress. These areas serve as the community based alternative to new park units and provide the means for community efforts to protect resources.
- **Preserve America:** This program enjoyed support from the First Lady's Office. It funds competitive grants to communities for heritage tourism. Under the CR, $3 million has been allocated. It is not funded in the 2009 omnibus bill pending in Congress.
- **State LWCF grants:** The program was not proposed for funding in recent budgets and is funded in congressional action.
- **Civil War Battlefield Grants:** The authorization for the grants program expired on September 30, 2008. A decision needs to be made as to whether to continue this program in the 2010 budget.

Indian Affairs

Justice/Detention Center Facilities:

- OIG reports and BIA evaluations underscore the inadequate conditions of detention centers in Indian country.
- In 2008 report language, Congress directed the BIA to "in partnership with DOJ, develop a plan for the replacement and construction of deteriorated detention centers, including recommendations on the location of those facilities by March 30, 2008."
- The Department does not currently have a program to construct new detention centers. There is $8.0 million in the Indian Affairs 2009 budget for maintenance and repair of existing detention facilities.
- The Department of Justice has a grant program for construction of detention facilities in Indian country. In 2008 they processed 8 grant applications for FI&R projects and 17 for detention center construction planning. These grants were not issued in coordination with Indian Affairs.
- BIA is working with the Budget Office and OMB to coordinate an approach to more closely align the BIA and DOJ programs.
- A decision is needed by February 2009 as to whether the 2010 budget should fund detention facility construction and at what level.

Law Enforcement --Extremely High Violent Crime Rates:

- Methamphetamine is a major underlying cause of violent crime in Indian country.
- A 2006 analysis of the staffing in Indian Country identified a need for an additional law enforcement officers and detention center personnel. When using a 2.6 to 1,000 ratio of officers to population, the optimal rate for rural areas, the 2009 budget request estimated an additional 1,852 staff were needed to be on average with other areas.
- The 2008 and 2009 budgets funded an initiative (+$24 million) to address this problem.

- A decision is needed by February 2009 as to the 2010 budget amount for programs that address this problem.

Indian Education:

- The BIE school system schools are required to achieve Adequate Yearly Progress (AYP) goals established by the No Child Left Behind Act. Schools must attain goals for student achievement in math, reading, and language arts; student attendance; high school graduation rates; and teacher qualifications to achieve AYP.
- BIE maintains its goal that 100 percent of the schools will achieve AYP by 2014. In school year 2005-2006, only 30 percent of BIE schools met the measure for AYP goals.
- The 2008 and 2009 budgets included increased funding to improve education (+$24 million). Not all educational components were included in this initiative.
- Of the 183 schools and dormatories, 133 or 61 percent are in good or fair condition, while 71 or 39 percent are categorized as being in "poor" condition. Funding for new school construction peaked at $141 million in 2001 but has declined since then to $22 million in the 2009 budget.
- A decision is needed by February 2009 as to the 2010 budget amount for the education programs.

Indian Land and Water Settlements:

- A significant number of settlements are under active consideration and are in the Omnibus Public Lands Management Act that passed the Senate on January 15.
- Reclamation and BIA will be responsible for funding costs.
- The Department's policy is to fund these settlements once enacted into law.

Contract Support:

- The Indian Self-Determination Act requires BIA to provide tribal contractors with contract support costs, which include payment of indirect costs and direct costs.
- BIA currently pays approximately 100 percent of indirect contract support costs and two percent of direct contract support costs.
- By comparison, the Indian Health Service currently pays approximately 76 percent of all contract support costs. Full funding of direct contract support costs is a top tribal priority, and would require approximately an additional $40 million.
- A decision is needed by February 2009 as to the 2010 budget amount.
- In a related issue, the Department is working with NCAI on setting up a schedule for consultation with the Tribes on the indirect cost methodology to be used going forward for contract support.

Tribal Priority Allocations:

- Tribal Priority Allocations are the core funding provided to Indian Tribes to assist in the operation of their tribal governments, funding social services, vocational training, welfare, natural resources management, and contract support.
- Funding in the 2009 budget for TPA is $710 million, a reduction of 8 percent from the 2008 level.
- The allocation used today is based on historical funding levels established in the 1970's and studies of the need to reallocate based on need have been rejected by the Tribes.
- A decision is needed by February 2009 as to the 2010 budget amount.

Programs to be considered in the budget:

- **Tribal Technical Colleges:** The Higher Education Opportunity Act, enacted on August 14, 2008, authorizes and directs the Secretary to provide assistance to two tribal technical colleges that are not funded in the formula-based Tribal Colleges and University line item. The two colleges, United Tribes Technical College and Navajo Tribal College, are funded in the 2009 omnibus pending in Congress.
- **Housing Improvement Program:** This program was proposed for termination in the 2008 and 2009 budgets as it overlaps with HUD's housing program and serves a very limited population.
- **Johnson O'Malley:** This program provides funding to Indian children in public schools for assistance and was proposed for elimination in the 2008 and 2009 budgets.

Office of Insular Affairs

Guam Military Build-up:

- The deployment of military to Guam will put pressure on the civilian infrastructure.
- Throughout 2008, Interior has been working with OMB to define the roles of DOD, Interior and other domestic agencies that contribute to Guam infrastructure to determine how this issue will be addressed in the deployment.
- A decision is needed by February 2009 as to the 2010 budget strategy for supporting the deployment and mitigating impacts on the infrastructure.

Palau Compact renewal:

- Palau's compact with the U.S. expires at the end of FY 2009.
- A decision is needed by February 2009 as to the Federal government's support for compact renewal and to determine the level of funding.

Office of the Special Trustee

Indian Land Consolidation:

- Fractionation is the single biggest cause of increased costs for trust management.
- The Indian Land Consolidation program was created in 1999 to acquire fractionated interests and consolidate land holdings.
- The 2009 budget proposed to terminate the program as it is not cost effective to manage at the current funding level. Appropriations action has eliminated funding for the program.
- The program is operating at a much reduced level in 2009 with carryover.
- A decision is needed by February 2009 about moving forward with program termination.

Office of the Secretary and Department-wide

Appraisers:

- The consolidated appraisal function continues to experience challenges in its working relationship with bureaus and NGOs.
- The Department assembled a team of bureau representatives to formulate options for improving timeliness, effectiveness, and efficiency and potential restructuring.
- There is unanimous agreement that the contracting function for third party appraisals should be transferred back to the bureaus and the team is proposing to make this effective March 2009.
- Further restructuring should be decided after an evaluation of the effectiveness of planned improvement actions – in on year.

FBMS:

- The CR level of $42 million did not provide the requested increase of $32 million, which is needed to conduct the planning for the next set of deployments scheduled for the fall of 2009.
- The project, and deployment to USGS in 2009 and to other bureaus in future years, has been delayed by one year.
- A decision is needed by January 2009 as to the funding level for the project in 2010.

Federal Energy Regulatory Commission (FERC) Hydropower Licensing:

- The Department put forward a proposal to retain a portion of the fees charged to the licensees by FERC to expand Interior relicensing reviews.
- No agreement has been reached with OMB on the proposal.
- A decision needs to be made by January 2009 as to whether to include the proposal in the 2010 budget.

Wildland Fire

- Interior costs for suppression activities have increased by 82 percent from 2001 through 2007.
- The increased costs of suppression have put pressure on the rest of the fire budget.
- Large fires consume a disproportionate share of the costs and in many cases containment of costs are outside the control of the wildland fire agencies.
- The Department and Forest Service approached OMB with a proposal to partition costs in the fire account into a predictable baseline and an emergency component that would fund large fires – to be funded by a mandatory appropriation.
- A decision needs to be made by February 2009 as to whether to restructure the fire account to accommodate such a proposal.

Land Acquisition/LWCF

- The budgets for BLM, NPS and FWS land acquisition have declined from the 2001 level of $300 million to the 2009 request level of $44 million.
- The 2009 budget included $349 million for LWCF, including Forest Service. This incorporates Federal land acquisition and a number of FWS grant programs. It eliminates funding for the LWCF State grants program.
- A decision needs to be made by February 2009 as to the level of LWCF and Federal land acquisition funding that will be requested in 2010.

Construction

- The budgets for BLM, NPS, FWS, and BIA construction have declined by one-half from the 2001 enacted level of $730 million.
- A decision needs to be made by February 2009 as to the level of funding that will be requested in 2010.

Fixed Costs

- Pay and benefits for the Department's 70,000 employees are a significant cost component of Interior's core programs, comprising 51 percent of operating budgets.
- Fixed cost increases for Interior are confined to a very limited set of costs and maintain a staff at over 2,400 field locations throughout the Nation.
- From 2002 through 2007, programs and offices throughout Interior have absorbed over $450 million in fixed cost increases. The annual fixed cost increase for Interior is $200 million.

DEPARTMENT OF THE INTERIOR
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2009 ECONOMIC RECOVERY

SUMMARY

(dollars in millions)

Economic Recovery	DOI Proposal	House	Senate	House compared to DOI	Senate compared to DOI
BLM	735	325	315	-410	-420
FWS	532	300	300	-232	-232
NPS	1,079	2,000	802	921	-277
NPS Roads		250	500	250	500
USGS	66	200	50	134	-16
BIA	740	500	572	-240	-168
BIA Roads		300		300	0
Fire	38	0	15	-38	-23
Central Hazmat	20	0	20	-20	0
Insular	116	0	62	-116	-54
Office of the Secretary	33	0	20	-33	-13
OIG		15	7.6	15	8
Subtotal, Interior	**3,359**	**3,890**	**2,664**	**531**	**-695**
Reclamation	367	500	TBD	133	TBD
CUPCA	55	0	TBD	-55	TBD
Subtotal, E&WD	**422**	**500**	**0**	**78**	**0**
Total, DOI	**3,781**	**4,390**	**TBD**	**609**	**TBD**

Key Points:

- **The House marked up their version of the economic recovery package on Wednesday, January 21.**
- **Details of the package were released on Friday, January 16.**
- **The $825 billion package includes $275 billion in tax cuts and $550 billion in infrastructure and other investments.**
- **A total of $3.8 billion is included for Interior programs, comprised of $3.8 billion in appropriations to Interior agencies and $550 million to DOT for BIA and NPS roads.**
- **The Senate will take up their version on Tuesday, January 27.**
- **The Senate package is anticipated to provide $2.6 billion for agencies in the Interior bill. This includes $500 million in DOT roads.**
- **Interior identified $3.8 billon for consideration in a stimulus/recovery package resulting in a total of 159,000 jobs.**

- **The Department of Education received $14 billion for school modernization, renovation and repair of which, 1% or $140 million shall be reserved for assistance to territories and Indian Affairs bureau-funded schools.**
- **The Department of Transportation, Federal Highway Administration includes $300 million for Indian reservation roads and $250 million for park roads and parkways.**
- **The Department of Housing and Urban Development is provided $500 million for Native American Housing Block Grants.**

Background:

- Throughout the summer and fall, Interior agencies formulated estimates of capacity for completion of priority infrastructure projects. Over $5 billion in projects were submitted by bureaus and offices.

- Proposals were evaluated relative to four considerations:

    - Timely – the funds could be obligated and expended expeditiously. Funds would be obligated within one year with expenditures to be completed in three years;
    - No Tail – these investments do not require ongoing operational or continued funding;
    - Targeted – funding is targeted to infrastructure needs utilizing existing prioritization processes; and
    - Temporary – investments are a one-time event.

- Efforts are underway to develop a procurement strategy to promote effective obligation of funds while conforming to existing acquisition requirements and extensive reporting that will be required.

- GSA has held one meeting to evaluate the ability of agencies to conform to the reporting requirements in the House bill using a new system Recovery.gov.

- The House proposal includes $15 million for the OIG. We anticipate that we would engage the OIG in oversight using the OIG's Critical Point Evaluations process.

- The Bureau of Indian Affairs testified on their ability to utilize existing programs and prioritization processes to effectively utilize funds before Senator Dorgan and the Indian Affairs Committee on January 15, 2009.

2009 APPROPRIATION STATUS

SUMMARY

(dollars in millions)

	2009 Continuing Resolution	2009 Budget	House	Senate	Omnibus	Conf. Compare to Budget
Interior, Environment & Related	9734.7	9,762.3	10,538.6	10,337.5	10,318.7	-18.8
Energy & Water Development	1150.9	786.3	957.5	1,126.8	TBD	TBD
Total	10,885.6	10,548.6	11,496.1	11,464.3	10,318.7	-1,177.4

Key Points:

- **The House reported an appropriation bill out of Subcommittee on June 11, 2008. Committee action was not scheduled due to the anticipated amendments related to OCS moratoria.**
- **The Senate Subcommittee was originally scheduled to markup up a bill on July 23-24, 2008, but this was cancelled and never rescheduled.**
- **It is anticipated that the Congress will enact a full year continuing resolution or take up an omnibus bill using agreements developed by the House and Senate Appropriations Committees.**

Background:

- On September 30, 2008, the President signed the Consolidated Security, Disaster Assistance and Continuing Appropriations Act, 2009, that funds operations of most Federal agencies, including Interior, through March 9, 2009. The Act included 2009 appropriations for the Departments of Defense, Veterans Affairs, and Homeland Security.

- The CR provides 43% of an annual comparable to the level provided in 2008. It provided $75 million for FWS storm damage and $135 million in Wildland Fire funding..

- Terms and conditions of the 2008 Appropriations Act continue into 2009 under the CR, excluding the following:

    - It removed the long-standing moratoria on Outer Continental Shelf development;

- It omitted the prohibition on the issuance of oil shale regulations; and

- It extended authorities for Service First and the renewal of grazing permits.

- Although the 2009 CR provide a higher level of funding overall for Interior programs, it does not fund increases for fixed costs. The 2009 budget included $142.5 million to fund increased costs for pay raise, health benefits, leased space, unemployment compensation, and other non-discretionary costs.

- The CR also does not fund the increase of $45 million that is needed to fund the ten-year rolling average increase for fire suppression.

- While operating under the CR, the Department and the bureaus have taken a conservative approach, by funding necessary costs to continue operating programs, delaying decisions about hiring seasonal workers, delaying the allocation of land acquisition and construction funding, and deferring grant allocations to States, Tribes and others.

- The Department submitted a reprogramming to take place under the CR to address the most urgent needs for the U.S. Park Police and the BLM Wild Horse and Burro program.

- The Department executed an emergency transfer in order to begin the process of clean up of a legacy well in Alaska, borrowing from BLM no-year funding in order to conduct the cleanup actions during the winter of 2008/2009.

- The House, Senate and Omnibus versions of the Interior and Energy and Water Development appropriation bills fund Interior programs significantly above the 2009 President's budget. The 2009 President's budget included some fairly draconian reductions to the Bureau of Reclamation ($189 million) and the Bureau of Indian Affairs ($100 million).

The 2010 Big Picture

	2007	2008	2009 CR*	2009 Request	2009 Req. to 2009 CR
Current	10,083.9	11,746.1	10,885.6	10,548.6	-337.0
Permanent	4,714.8	5,642.4	5,994.4	5,994.4	352.1
Total	14,798.7	17,388.5	16,880.0	16,543.0	-845.4
FTE	67,419	67,373	67,373	68,930	1,557

Until receipt of OMB guidance, we don't know the specific numbers that the Department will have to work with for 2010. We anticipate that we will receive passback – OMB's instructions and 2010 funding guidance on Friday, January 23 or Monday, January 26.

Normally, OMB would develop the budget year funding level based on the prior year enacted level or the prior budget. We believe that OMB will use the version of the 2009 bill reported by the House Appropriations Subcommittee as a proxy for the 2009 likely enacted level. The following analysis will help to prepare for the passback.

Department of the Interior Current Funding

$11.3 billion	2008 Enacted funding in the appropriations bills excluding supplemental fire and storm damage funding for comparability.
$10.9 billion	2009 Continuing Resolution level annualized. This is the current operating level for the Department excluding PILT, which is now mandatory and excluding Desert Terminal Lakes.
$10.5 billion	2009 President's budget request (George W. Bush's last budget)
$11.5 billion	2009 House bill reported out of Subcommittee. The Senate level was comparable.
$11.3 billion	2009 Likely Enacted level based on the "secret" omnibus agreement.
$12.0 billion	2010 Current Services baseline OMB had in September 2008 – now being revised. Also, the level requested by bureaus and offices in formulation of the 2010 budget.

Department of the Interior
(dollars in millions)

	2007 Enacted	2008 Enacted	2009 Annualized Continuing Resolution	2009 Budget Amended	2009 Budget compared to 2009 CR
Bureau of Land Management	1,029.5	1,007.9	1,007.9	1,002.2	-5.7
APD fee spending authority - not in above total		*[25.5]*	*[25.5]*	*[0]*	*[-25.5]*
Naval Oil Shale + other cancellation of balances				*-13.0*	*-13.0*
Minerals Management Service	159.5	161.1	161.1	160.4	-0.7
OSM	294.7	170.4	170.4	149.3	-21.1
OSM Emergency balances cancellation -				*-11.7*	*-11.7*
U.S. Geological Survey	988.1	1,006.5	1,006.5	968.5	-38.0
Fish and Wildlife Service	1,338.1	1,366.3	1,366.3	1,301.7	-64.6
Fish and Wildlife Service Disaster Supplemental	*0.0*	*75.0*			*0.0*
National Park Service	2,290.0	2,390.5	2,392.5	2,404.3	11.9
Bureau of Indian Affairs	2,308.3	2,291.3	2,291.3	2,191.4	-99.9
Dept Mgt S&E	94.1	99.6	99.6	105.8	6.2
FBMS	22.2	40.1	40.1	73.4	33.3
Office of Insular Affairs	81.5	83.1	83.1	79.9	-3.3
Solicitor	55.0	58.3	58.3	62.1	3.7
Office of Inspector General	38.8	43.9	43.9	44.8	0.9
Office of the Special Trustee	189.3	179.5	179.5	181.6	2.2
Indian Land Consolidation	34.0	9.8	9.8	0.0	-9.8
Wildland Fire Management	*758.4*	*808.1*	*808.1*	*850.1*	*42.1*
Wildland Fire Supplementals	*95.0*	*384.0*		*0.0*	*0.0*
PILT	232.5	228.9	0.4	195.0	194.6
Central Hazardous Materials	9.7	9.8	9.8	10.1	0.3
NRDAR (Restoration Office)	6.0	6.2	6.2	6.3	0.1
Working Capital	0.3				0.0
Interior and Related w/o Fire + FWS Supps	**9,929.9**	**9,961.2**	**9,734.7**	**9,762.3**	**27.6**
Interior and Related w/ Fire + FWS Supps	10,024.9	10,420.2	9,734.7	9,762.3	27.6
Bureau of Reclamation	1,025.0	1,107.9	1,107.9	926.8	-181.1
Desert Terminal Lakes transfer		175.0		-175.0	-175.0
Friant surcharge CVRP proposal				-7.5	-7.5
Central Utah Project Completion Act	34.0	43.0	43.0	42.0	-1.0
Energy and Water Development	**1,059.0**	**1,325.9**	**1,150.9**	786.3	-364.6
Current total w/o Fire + FWS Supps	**10,988.9**	**11,287.1**	**10,885.6**	**10,548.6**	**-337.0**
Current total w/ Fire +FWS Supps	*11,083.9*	*11,746.1*	*10,885.6*	*10,548.6*	*-337.0*
Range Improvements	-10.0	-10.0	-10.0		10.0
BLM Misc. Trusts	-23.2	-20.1	-21.4	-20.1	1.3
Insular Affairs	-29.7	-29.7	-29.7	-29.7	0.0
CUPCA	-0.9		1.5		-1.5
BOR CVP (w/Friant proposal)	-33.0	-51.3	-47.0	-48.3	-1.3
Net Discretionary	**10,987.1**	**11,635.0**	**10,779.0**	**10,450.5**	**-328.5**

* The 2009 budget included a cancellation of balances for NOSR of $24.7m. Subsequently it was determined more funds were needed for remediation and OSM emergency balances were proposed for cancellation.

Department of the Interior
KEY NUMBERS
(total current budget authority, 000's of dollars)

* ALL AMOUNTS ARE NET CANCELLATION OF BALANCES except LWCF State Assistance

	2007 Enacted	2008 Enacted	2009 Annualized Continuing Resolution	2009 Budget Amended	2009 Req Chg from 2009 Continuint Resolution	
DOI Total Including BOR	*10,988,929*	*11,287,124*	*10,885,623*	*10,548,581*	*-337,042*	*-3.1%*
Interior and Related	*9,929,913*	*9,961,211*	*9,734,710*	*9,762,282*	*27,572*	*0.3%*
BIA/Special Trustee Programs	*2,531,561*	*2,480,610*	*2,480,610*	*2,373,012*	*-107,598*	*-4.3%*
Unified Trust Budget	*[507,849]*	*[479,436]*	*[479,436]*	*[482,320]*	*[2,884]*	*0.6%*
Land Management Ops:	*3,845,690*	*4,040,260*	*4,042,260*	*4,173,495*	*131,235*	*3.2%*
BLM Operations	*975,902*	*962,453*	*962,453*	*973,080*	*10,627*	*1.1%*
FWS Operations	*1,021,367*	*1,082,616*	*1,082,616*	*1,068,886*	*-13,730*	*-1.3%*
NPS Operations (w/ USPP)	*1,848,421*	*1,995,191*	*1,997,191*	*2,131,529*	*134,338*	*6.7%*
Wildland Fire Management w/o supp	*758,355*	*808,072*	*808,072*	*850,143*	*42,071*	*5.2%*
Federal Land Acquisition:	*78,479*	*95,572*	*95,572*	*44,490*	*-51,082*	*-53.4%*
Land Acquisition, BLM	*8,634*	*8,939*	*8,939*	*4,475*	*-4,464*	*-49.9%*
Land Acquisition, FWS	*28,046*	*34,596*	*34,596*	*10,171*	*-24,425*	*-70.6%*
Land Acquisition, NPS	*34,402*	*44,367*	*44,367*	*21,832*	*-22,535*	*-50.8%*
Consolidated Appraisal Services	*7,397*	*7,670*	*7,670*	*8,012*	*342*	*4.5%*
Grant and Payment Programs	*546,507*	*525,843*	*297,342*	*461,336*	*163,994*	*55.2%*
**State Land Acquisition & Assistance*	*29,622*	*24,610*	*24,610*		*-24,610*	
Private Landowner and Stewardship, FWS	*30,944*	*0*	*0*	*0*	*0*	
State and Tribal Wildlife Grants	*67,492*	*73,830*	*73,830*	*73,830*	*0*	*0.0%*
North American Wetlands	*39,412*	*41,981*	*41,981*	*42,647*	*666*	*1.6%*
** Cooperative Endangered Species*	*81,001*	*73,831*	*73,831*	*75,501*	*1,670*	*2.3%*
Multi-National Species	*6,404*	*7,875*	*7,875*	*4,256*	*-3,619*	*-46.0%*
Neotropical Birds	*3,941*	*4,430*	*4,430*	*3,960*	*-470*	*-10.6%*
** Historic Preservation Grants*	*55,163*	*70,385*	*70,385*	*66,142*	*-4,243*	*-6.0%*
DOI PILT	*232,528*	*228,901*	*400*	*195,000*	*194,600*	*48650.0%*
Interior Construction:	*626,356*	*461,813*	*461,813*	*362,376*	*(99,437)*	*-21.5%*
BLM Construction	*11,751*	*6,375*	*6,375*	*4,476*	*-1,899*	*-29.8%*
** FWS Construction*	*45,300*	*33,162*	*33,162*	*12,180*	*-20,982*	*-63.3%*
** NPS Construction*	*297,482*	*218,522*	*218,522*	*172,459*	*-46,063*	*-21.1%*
BIA Construction	*271,823*	*203,754*	*203,754*	*173,261*	*-30,493*	*-15.0%*
U.S. Geological Survey	*988,050*	*1,006,480*	*1,006,480*	*968,516*	*-37,964*	*-3.8%*
Departmental Management S&E	*86,684*	*91,903*	*91,903*	*97,883*	*5,980*	*6.5%*
FBMS	*22,224*	*40,092*	*40,092*	*73,435*	*33,343*	*83.2%*
Insular Affairs	*81,510*	*83,129*	*83,129*	*79,872*	*-3,257*	*-3.9%*
Other Dept Offices-SOL, OIG, NRDA	*99,884*	*108,405*	*108,405*	*113,211*	*4,806*	*4.4%*
Minerals Management total	*288,245*	*296,783*	*296,783*	*307,123*	*10,340*	*3.5%*
MMS offsett.collections in above	*[128,730]*	*[135,730]*	*[135,730]*	*[146,730]*	*[11,000]*	*8.1%*
Office of Surface Mining	*294,654*	*170,411*	*170,411*	*149,263*	*-21,148*	*-12.4%*
NPS Nat'l Recreation & Pres.	*54,869*	*67,413*	*67,413*	*45,488*	*-21,925*	*-32.5%*
Water Management (BOR/CUPCA)	*1,059,016*	*1,325,913*	*1,150,913*	*786,299*	*-364,614*	*-31.7%*
above includes Desert Terminal Lakes		*[175,000]*		*-[175,000]*		
* Other - CHF, Rge Imprvt, etc[2/]	*27,398*	*23,909*	*23,909*	*-17,370*	*-41,279*	*-172.7%*

FY 2009 Funding

Dollars in thousands

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted	2009 Annualized Continuing Resolution	2009 Request as Amended	2009 Request Change from Continuing Resolution	
BUREAU OF LAND MANAGEMENT					
Management of lands and resources	853,931	853,931	864,827	10,896	1.3%
Mining Law Administration	[34,696]	[34,696]	[34,696]	[0]	0.0%
ADP permit fee	[25,500]	[25,500]		(25,500)	-100.0%
Construction [and access]	6,375	6,375	4,476	(1,899)	-29.8%
Land acquisition	8,939	8,939	4,475	(4,464)	-49.9%
Oregon and California grant lands	108,522	108,522	108,253	(269)	-0.2%
Range improvements [Mandatory]	10,000	10,000	0	(10,000)	-100.0%
Service charges, deposits, and forfeitures	28,490	28,490	61,990	33,500	117.6%
offsetting receipts	(28,490)	(28,490)	(61,990)	(33,500)	117.6%
Total, Current Appropriations, Federal Funds	987,767	987,767	982,031	(5,736)	-0.6%
				0	
Miscellaneous trust fund [current, mandatory]	20,130	20,130	20,130	0	0.0%
Total, BLM [without fire accounts]	973,201	973,201	1,002,161	28,960	3.0%
Total, BLM	1,007,897	1,007,897	1,002,161	(5,736)	-0.6%
Gross Total Before M-Saver Cancellations					
Colorado Naval Oil Shale cancellation of balances			(12,996)		
Sale of water cancellation of balances			(46)		
Note: Committee support table does not acknowledge Range Improvement 2009 is $0.					
MINERALS MANAGEMENT SERVICE					
Royalty and offshore minerals management	154,750	154,750	154,270	(480)	-0.3%
Oil spill research	6,303	6,303	6,123	(180)	-2.9%
ROMM, offset safety clause	[135,730]	[135,730]	[133,730]	-[2,000]	-1.5%
Cost Recovery Fees - no safety clause, no cap			[13,000]	[13,000]	
Total, Current Appropriations	161,053	161,053	160,393	(660)	-0.4%
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT					
Regulation and technology	118,460	118,460	118,452	(8)	0.0%
Abandoned mine reclamation fund	51,951	51,951	30,811	(21,140)	-40.7%
Total, Current Appropriations	170,411	170,411	149,263	(21,148)	-12.4%
Amendment to rescind emergency balances			(11,704)		
Gross Total Before M-Saver Cancellations					
BUREAU OF RECLAMATION					
Water and Related Resources	949,882	949,882	779,320	(170,562)	-18.0%
Policy and administration	58,811	58,811	59,400	589	1.0%
Central Valley Project Restoration Fund	59,122	59,122	56,079	(3,043)	-5.1%
California bay-delta	40,098	40,098	32,000	(8,098)	-20.2%
Total, Current Appropriations	1,107,913	1,107,913	926,799	(181,114)	-16.3%
Desert Terminal Lakes	175,000				
Friant settlement proposal-funds to San Joaquin			(7,500)	(7,500)	
Total, Current Appropriations	1,282,913	1,107,913	919,299	(188,614)	-17.0%
Amendment to rescind DTL balances			(175,000)		
CENTRAL UTAH PROJECT COMPLETION ACT					
Central Utah project completion act	42,024	42,024	41,013	(1,011)	-2.4%
Utah reclamation mitigation and conservation	976	976	987	11	1.1%

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted	2009 Annualized Continuing Resolution	2009 Request as Amended	2009 Request Change from Continuing Resolution	
Total, Current Appropriations	43,000	43,000	42,000	(1,000)	-2.3%
GEOLOGICAL SURVEY					
Surveys, investigations and research	1,006,480	1,006,480	968,516	(37,964)	-3.8%
FISH AND WILDLIFE SERVICE					
Resource management	1,082,616	1,082,616	1,068,886	(13,730)	-1.3%
Construction	33,162	33,162	12,234	(20,928)	-63.1%
Supplemental/balance cancellation	75,000		(54)	(54)	
Land acquisition	34,596	34,596	10,171	(24,425)	-70.6%
Highlands Conservation Act	0	0	0	0	
Landowner incentive program	0	0	0	0	
Private stewardship grants program	0	0	0	0	
Coop endangered species conservation fund	73,831	73,831	80,001	6,170	8.4%
balance cancellation/restoration			(4,500)	(4,500)	
National wildlife refuge fund	13,980	13,980	10,811	(3,169)	-22.7%
North American wetlands conservation fund	41,981	41,981	42,647	666	1.6%
Neotropical migratory birds conservation fund	4,430	4,430	3,960	(470)	-10.6%
Multinational species conservation fund	7,875	7,875	4,256	(3,619)	-46.0%
State and Tribal wildlife grants	73,830	73,830	73,830	0	0.0%
Wildlife conservation cancellation of balances			(497)	(497)	
Total, Current Appropriations	1,441,301	1,366,301	1,301,745	(64,556)	-4.7%
NATIONAL PARK SERVICE					
Operation of the national park system	1,970,581	1,972,581	2,131,529	158,948	8.1%
Matching Centennial Match- discretionary	24,610	24,610	0	(24,610)	-100.0%
Matching Centennial Match [mandatory proposal]			*100,000*	*100,000*	
United States Park Police				0	
balance cancellation			(808)	(808)	
National recreation and preservation	67,413	67,413	45,488	(21,925)	-32.5%
Historic preservation fund	70,385	70,385	66,658	(3,727)	-5.3%
balance cancellation			(516)	(516)	
UPARR cancellation of balances			(1,300)	(1,300)	
Construction and Major Maintenance	218,522	218,522	173,096	(45,426)	-20.8%
balance cancellation			(637)	(637)	
Land and water conservation fund	(30,000)	(30,000)	(30,000)	0	0.0%
Land acquisition and state assistance	68,977	68,977	20,832	(48,145)	-69.8%
State assistance	24,610	24,610	0	(24,610)	-100.0%
State assistance balance cancellation			(1,000)	(1,000)	
Federal land acquisition	44,367	44,367	21,832	(22,535)	-50.8%
Total Funding, including mandatory proposal	2,390,488	2,392,488	2,504,342	111,854	4.7%
Less Centennial Match - mandatory	0	0	(100,000)	(100,000)	
Total, Current Appropriations	2,390,488	2,392,488	2,404,342	11,854	0.5%
BUREAU OF INDIAN AFFAIRS					
Operation of Indian programs	2,047,809	2,047,809	1,988,290	(59,519)	-2.9%
Construction	203,754	203,754	173,261	(30,493)	-15.0%
Indian land & water claim set. & misc. payments to Ind	33,538	33,538	21,627	(11,911)	-35.5%
Indian guaranteed loan program account	6,178	6,178	8,186	2,008	32.5%
Total, Current Appropriations	2,291,279	2,291,279	2,191,364	(99,915)	-4.4%
DEPARTMENTAL OFFICES					

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted	2009 Annualized Continuing Resolution	2009 Request as Amended	2009 Request Change from Continuing Resolution	
DEPARTMENTAL MANAGEMENT					
Salaries and expenses. (w/o FBMS)	91,903	91,903	97,883	5,980	6.5%
Consolidated Appraisal Services	7,670	7,670	8,012	342	4.5%
Total, Current Appropriations	99,573	99,573	105,895	6,322	6.3%
Federal subsistence balance cancellation	0	0	(108)		
INSULAR AFFAIRS					
Assistance to territories	77,819	77,819	75,054	(2,765)	-3.6%
Compact of free association	5,310	5,310	4,818	(492)	-9.3%
Total, Current Appropriations	83,129	83,129	79,872	(3,257)	-3.9%
OFFICE OF THE SOLICITOR					
Salaries & Expenses	58,326	58,326	62,050	3,724	6.4%
OFFICE OF INSPECTOR GENERAL					
Salaries & Expenses	43,877	43,877	44,823	946	2.2%
OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS					
Office of the Special Trustee for Amer. Indians	179,487	179,487	181,648	2,161	1.2%
Indian land consolidation	9,844	9,844	0	(9,844)	-100.0%
Total, Current Appropriations	189,331	189,331	181,648	(7,683)	-4.1%
NATIONAL INDIAN GAMING COMMISSION					
Salaries & Expenses	-	-	-		
Department Wide Programs					
Wildland Fire Management (Show Performance)	808,072	808,072	850,143	42,071	5.2%
Suppression/Other Supp (Show Performance)	384,000			0	
Working Capital Fund	40,092	40,092	73,435	33,343	83.2%
Payment in lieu of taxes	228,901	400	195,000	194,600	48650.0%
Central hazardous materials fund - proposed in 06	9,799	9,799	10,148	349	3.6%
NRDA Fund	6,202	6,202	6,338	136	2.2%
Total, Current Appropriations	1,477,066	864,565	1,135,064	270,499	31.3%

*** *FY 2007 includes $95m; 2008 includes $171 and $78 in supplementals*

DEPARTMENT OF THE INTERIOR
- Total Current Budget Authority -

Bureau of Land Management	1,007,897	1,007,897	989,119	(18,778)	-1.9%
Minerals Management Service	161,053	161,053	160,393	(660)	-0.4%
Office of Surface Mining	170,411	170,411	137,559	(32,852)	-19.3%
Bureau of Reclamation	1,282,913	1,107,913	744,299	(363,614)	-32.8%
Central Utah Project Completion Act	43,000	43,000	42,000	(1,000)	-2.3%
Geological Survey	1,006,480	1,006,480	968,516	(37,964)	-3.8%
Fish and Wildlife Service	1,441,301	1,366,301	1,301,745	(64,556)	-4.7%
National Park Service	2,390,488	2,392,488	2,504,342	111,854	4.7%
National Park Service without Centennial Challenge	2,390,488	2,392,488	2,404,342	11,854	0.5%
Bureau of Indian Affairs	2,291,279	2,291,279	2,191,364	(99,915)	-4.4%
Departmental Management	99,573	99,573	105,787	6,214	6.2%

BUREAUS/OFFICES

ACCOUNTS	2008 Enacted	2009 Annualized Continuing Resolution	2009 Request as Amended	2009 Request Change from Continuing Resolution	
Insular Affairs	83,129	83,129	79,872	(3,257)	-3.9%
Office of the Solicitor	58,326	58,326	62,050	3,724	6.4%
Office of Inspector General	43,877	43,877	44,823	946	2.2%
Office of Special Trustee for American Indians	189,331	189,331	181,648	(7,683)	-4.1%
National Indian Gaming Commission	-	-	-	-	
Department wide Programs	1,477,066	864,565	1,135,064	270,499	31.3%
Total Funding, Department of the Interior	11,746,124	10,885,623	10,648,581	(237,042)	-2.2%
Total w/o Fire Supps, Department of the Interior	**11,287,124**	**10,885,623**	**10,548,581**	**(337,042)**	**-3.1%**
Total w/ Fire Supps, Department of the Interior	*11,746,124*	*10,885,623*	*10,548,581*	*(337,042)*	-3.1%
Current Energy and Water (before offsets).	1,325,913	1,150,913	786,299	(364,614)	-31.7%
Current Interior Subcomm. w/o Fire Supps	10,036,211	9,734,710	9,762,282	27,572	0.3%
Current Interior Subcomm. w/ Fire Supps	*10,420,211*	*9,734,710*	*9,762,282*	*27,572*	*0.3%*
Crosswalk to Discretionary					
Less BOR offsetting disc. receipts	(51,321)	(47,000)	(48,272)		
Less CUPCA net discretionary					
BLM Range Improvements	(10,000)	(10,000)	0		
BLM Miscellaneous Trust	(20,130)	(20,130)	(20,130)		
OIA Assistance to Territories [input]	(27,720)	(27,720)	(27,720)		
OIA Compact Assistance [input]	(2,000)	(2,000)	(2,000)		
Net Discretionary totals:				-	
Energy and Water	1,274,592	1,103,913	738,027	108,035	9.8%
Interior and Related	10,361,092	9,674,860	9,712,432	804,714	8.3%
Total Discretionary	11,635,684	10,778,773	10,450,459	912,749	8.5%

DOI Land Management Agency Statistics - FY 2007

	National Park Service	National Wildlife Refuges - US Fish & Wildlife Service	Bureau of Land Management Public Lands	Bureau of Indian Affairs
Units	391 (58 Nat. Parks, 74 Nat. Mon., 18 NRA's, 241 other)	585 (548 NWRs, 37 Wetland Management Districts)	235 (15 NM, 17 Nat Cons. Areas)	300 reservations & other trust lands; 562 Tribes
Acres total	84,322,229	96,420,977	258,000,000	46,040,000 Tribal; 10,000,000 individual; 309,000 Federal
Acres outside Alaska	29,683,426	19,598,781	178,200,000	54,800,000
Structures	31,771 (26,000 structures and 5,771 buildings)	5,830 buildings	4,777 buildings	9,686 total (24 colleges; 184 elem and 2nd schools; 1,909 education bldgs, 6,325 bldgs; 1,244 office bldgs)
Funding for facilities construction - FY 2007actual	$173,096,000	$22,364,000	$10,390,000 (includes MLR Cons. & Wildland Fire Facilities Cons.	$173,261,000
Roads (miles)	9,550	11,700	75,959	29,034
Gas tax SAFETEA-LU funding for 2007- Highway Trust Fund	$210,000,000	$29,000,000	$0	$370,000,000
Bridges/tunnels etc.	1,474	752 bridges & 1 tunnel	856 bridges	926 bridges
Housing	4,065	1262	354	3,585
Dams	504	193	590	131
Trails (miles)	17,000	1,978	18,932	not counted
Campsites	1,169 campgrounds	777	17,510	not counted
Visitors/year	274,467,789	40,301,562	57,300,000	n/a
Volunteers/year	167,600	36,893	18,000	n/a
Maintenance Backlog	$6.1 to $13.1 billion	$2.6 to $3.0 billion	$377 to $461 million	$2.5 to $3.1 billion

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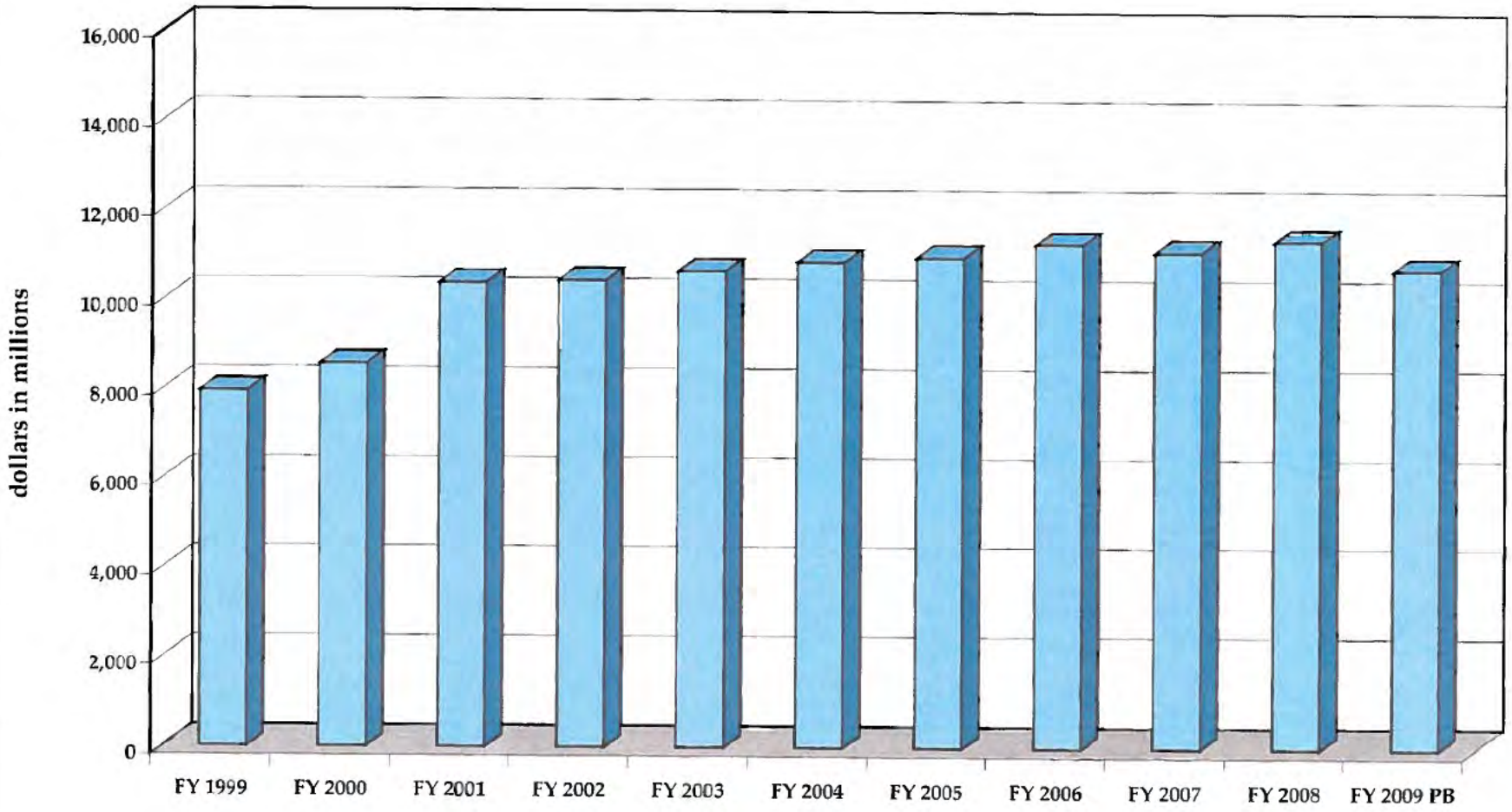
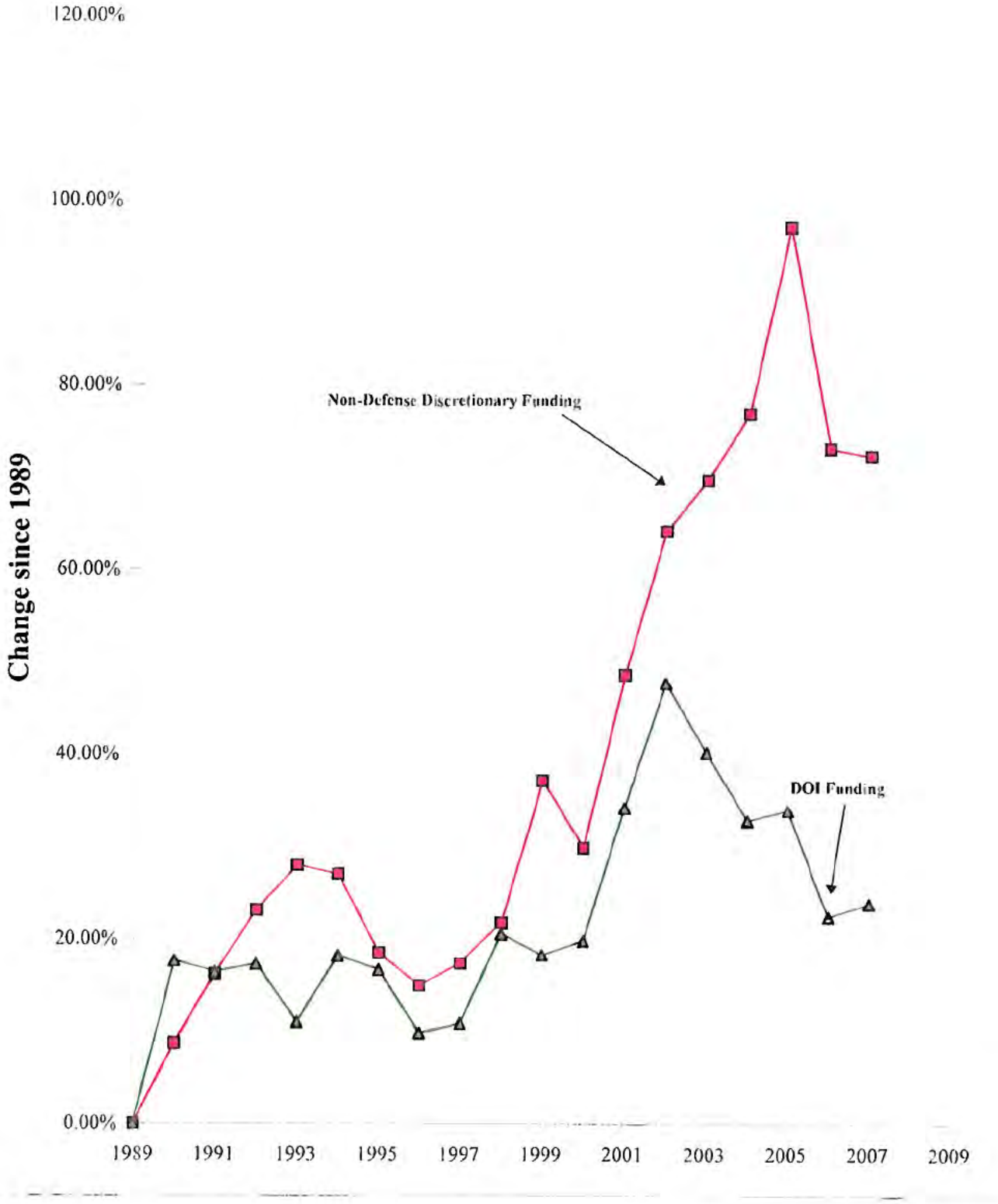
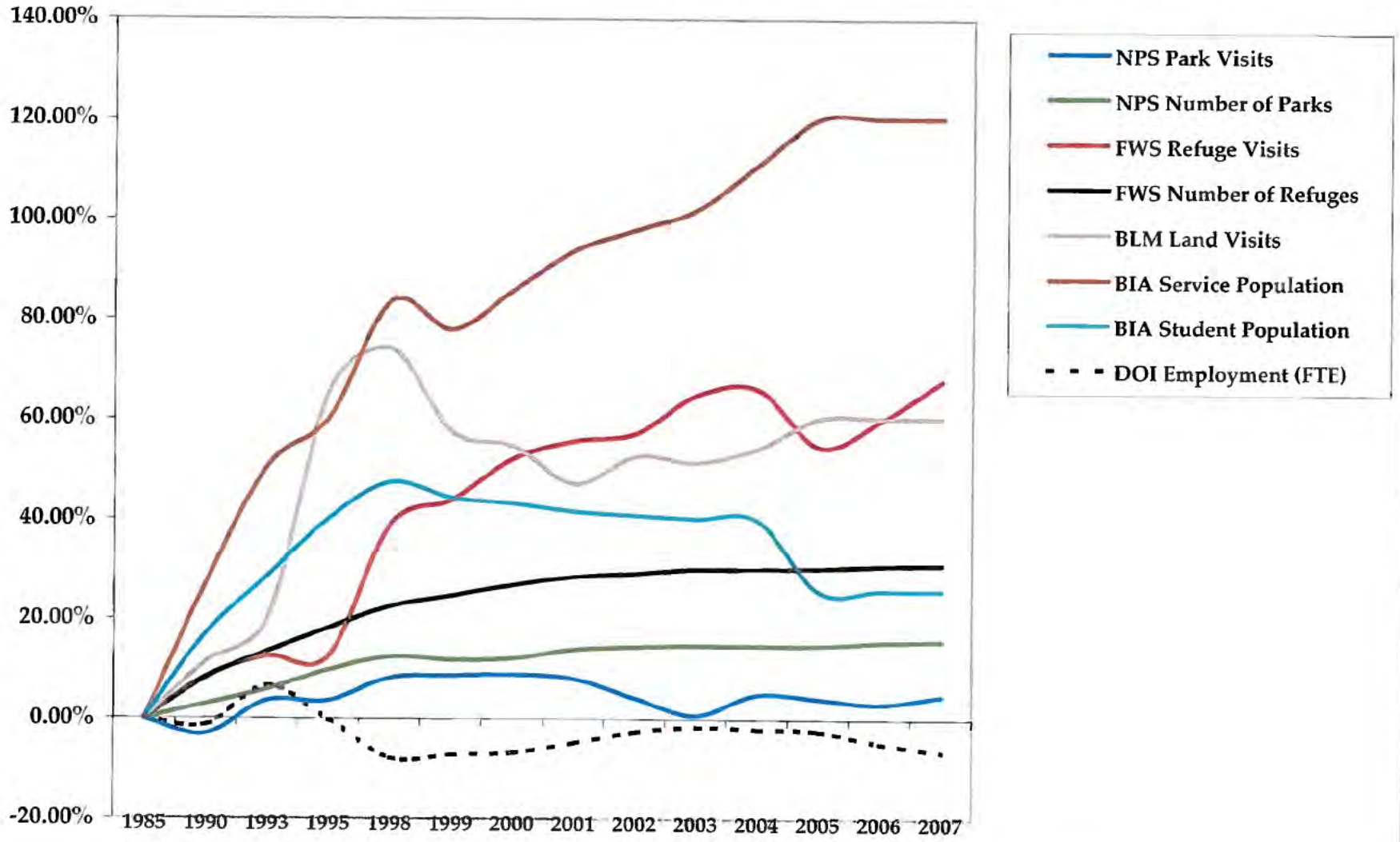
U.S. Department of the Interior FY 1999 to 2009 Budget History

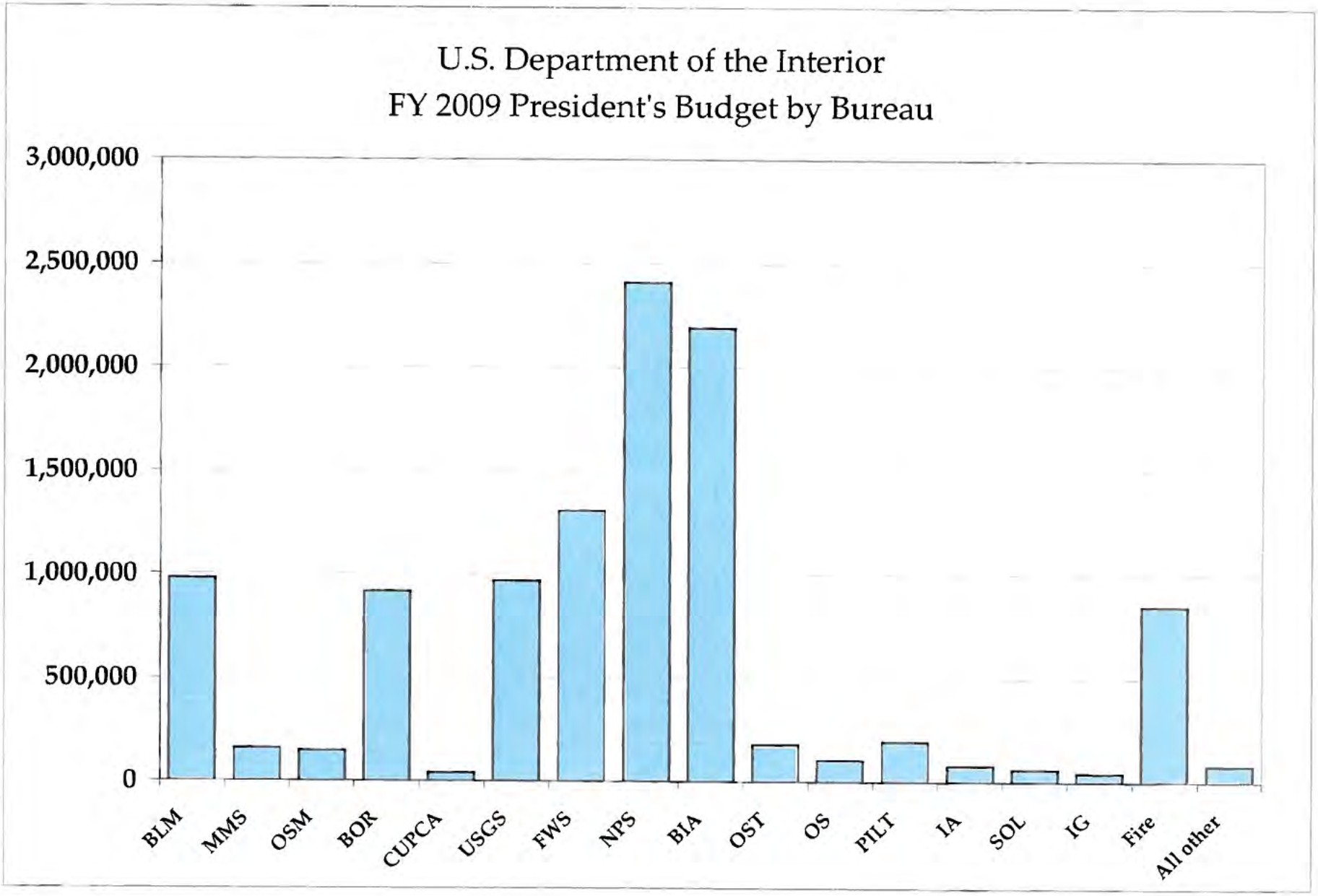


Change in Funding (Purchasing Power)
FY 1989 - 2009 Estimate

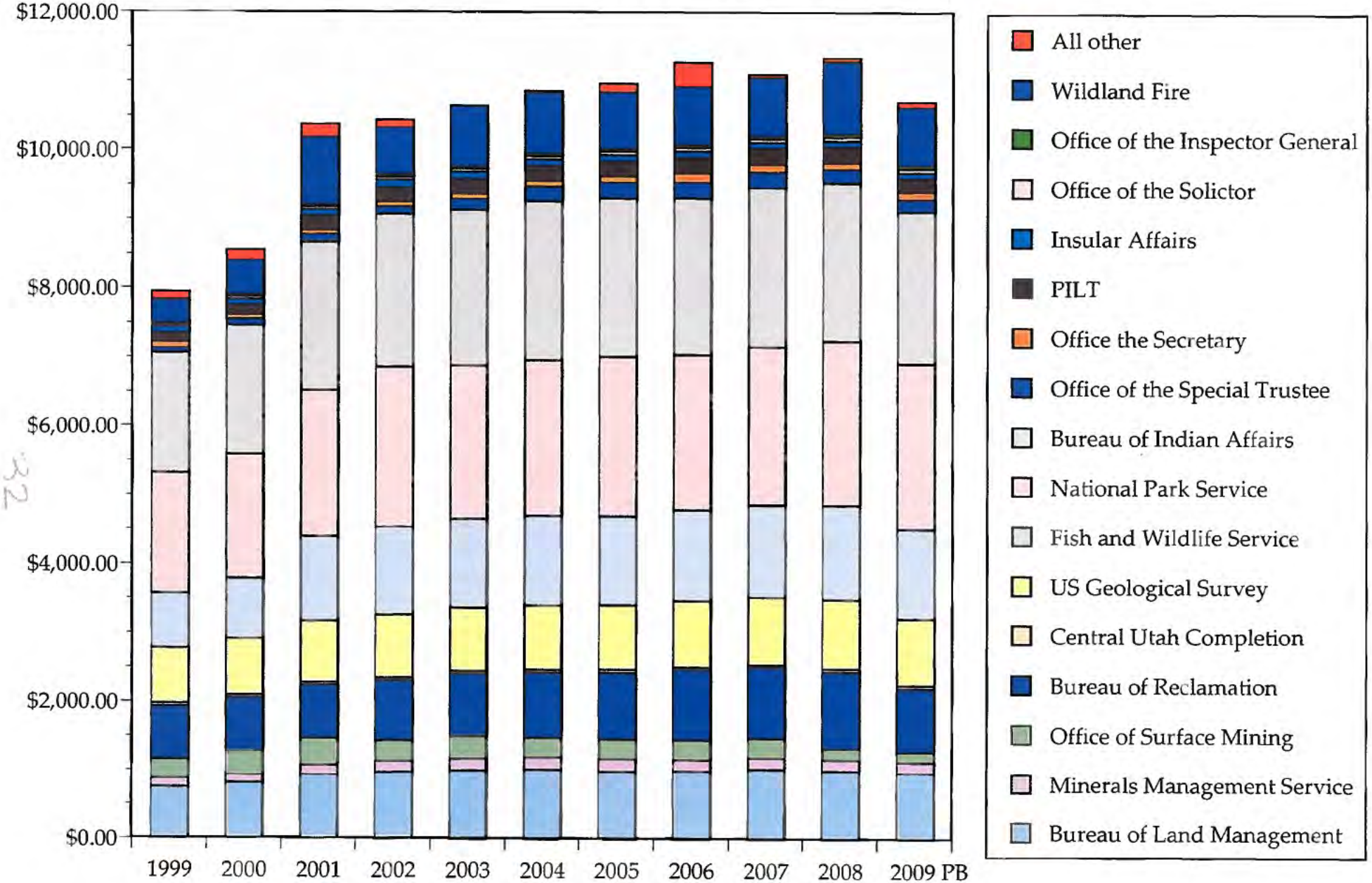


Department of the Interior Increasing Demand in Major Service Areas

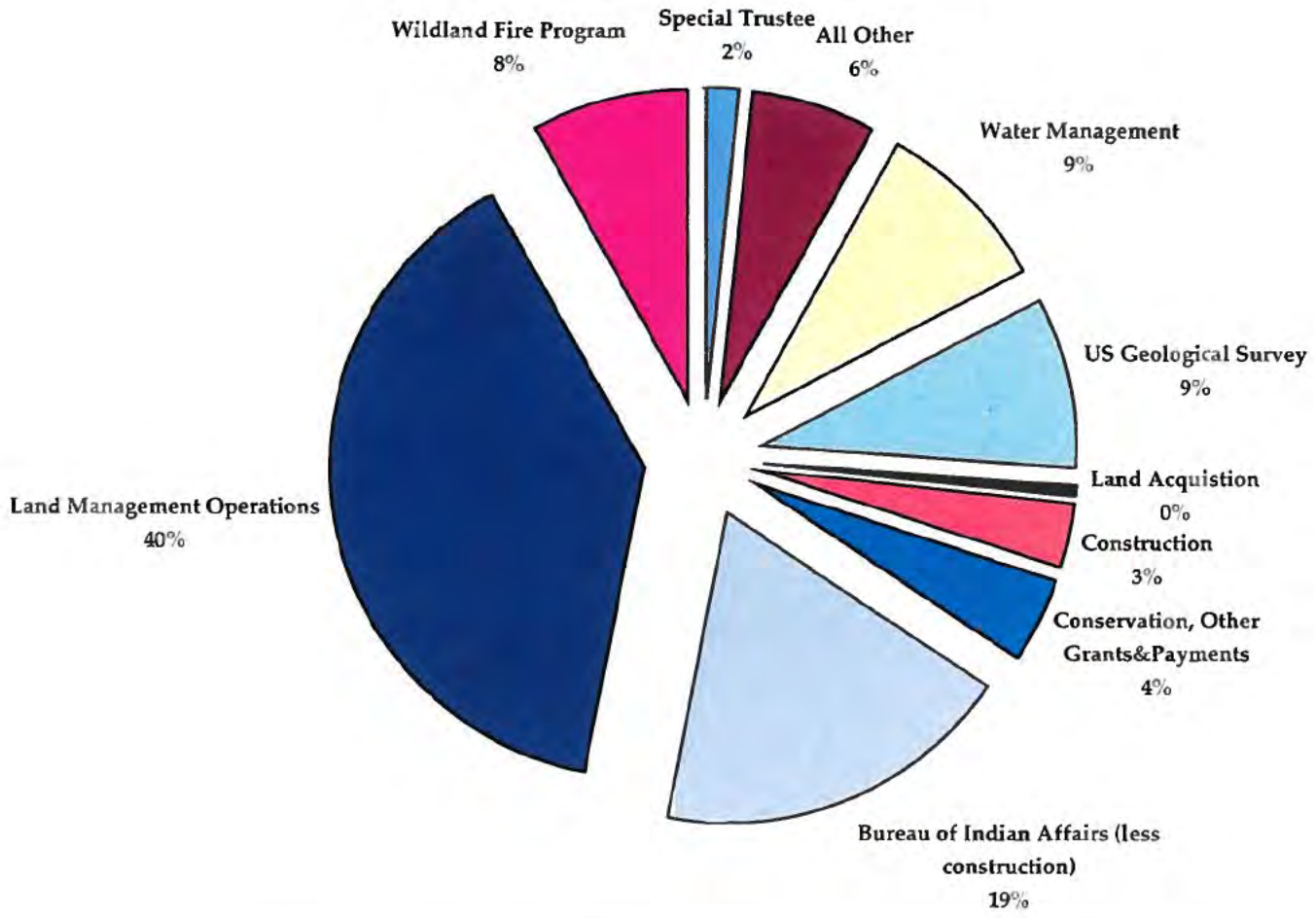



U.S. Department of the Interior
FY 2009 President's Budget by Bureau
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
BLM
MMS
OSM
BOR
CUPCA
USGS
FWS
NPS
BIA
OST
OS
PILT
IA
SOL
IG
Fire
All other

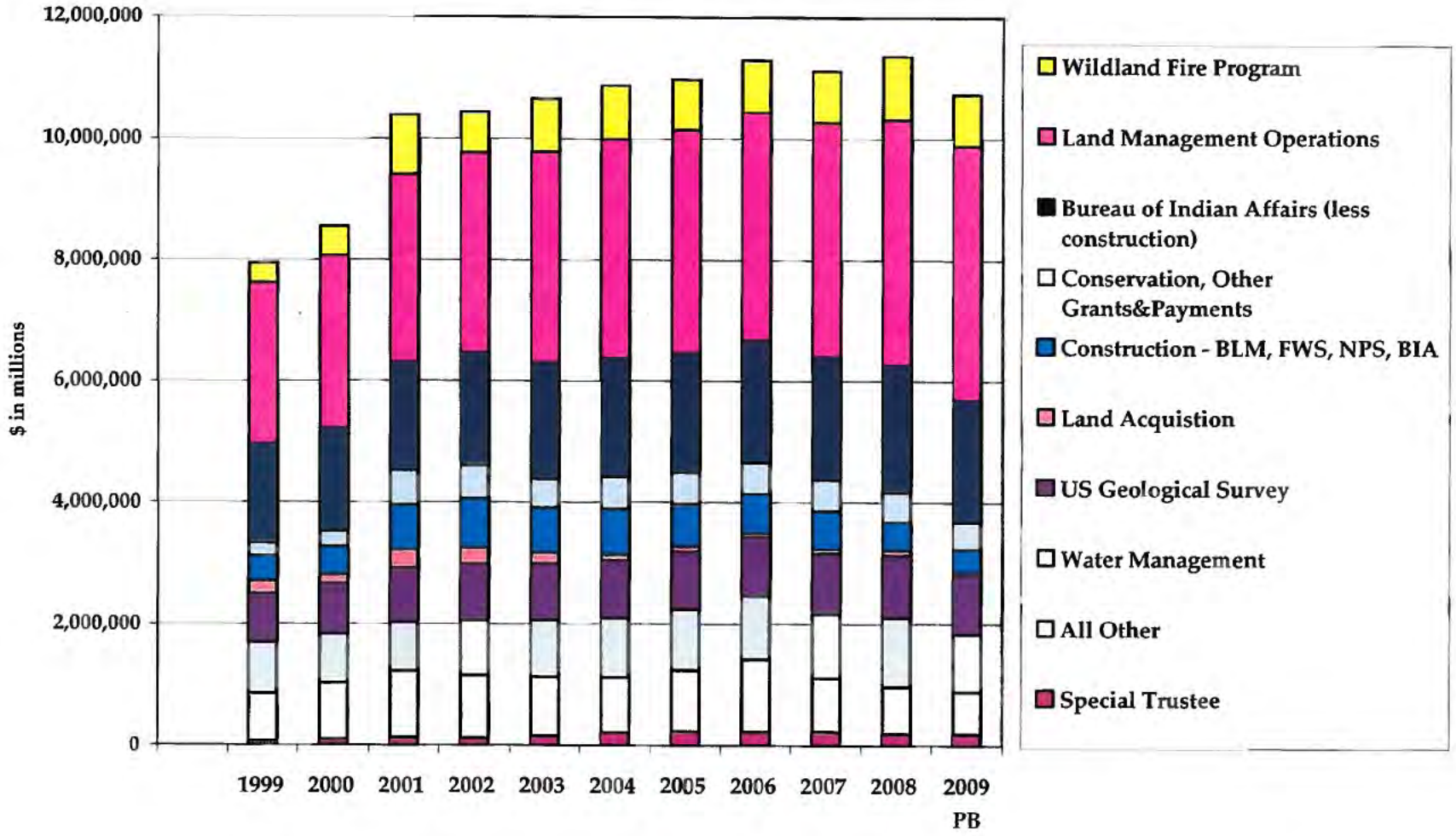
Funding by Bureau
1999 - 2009

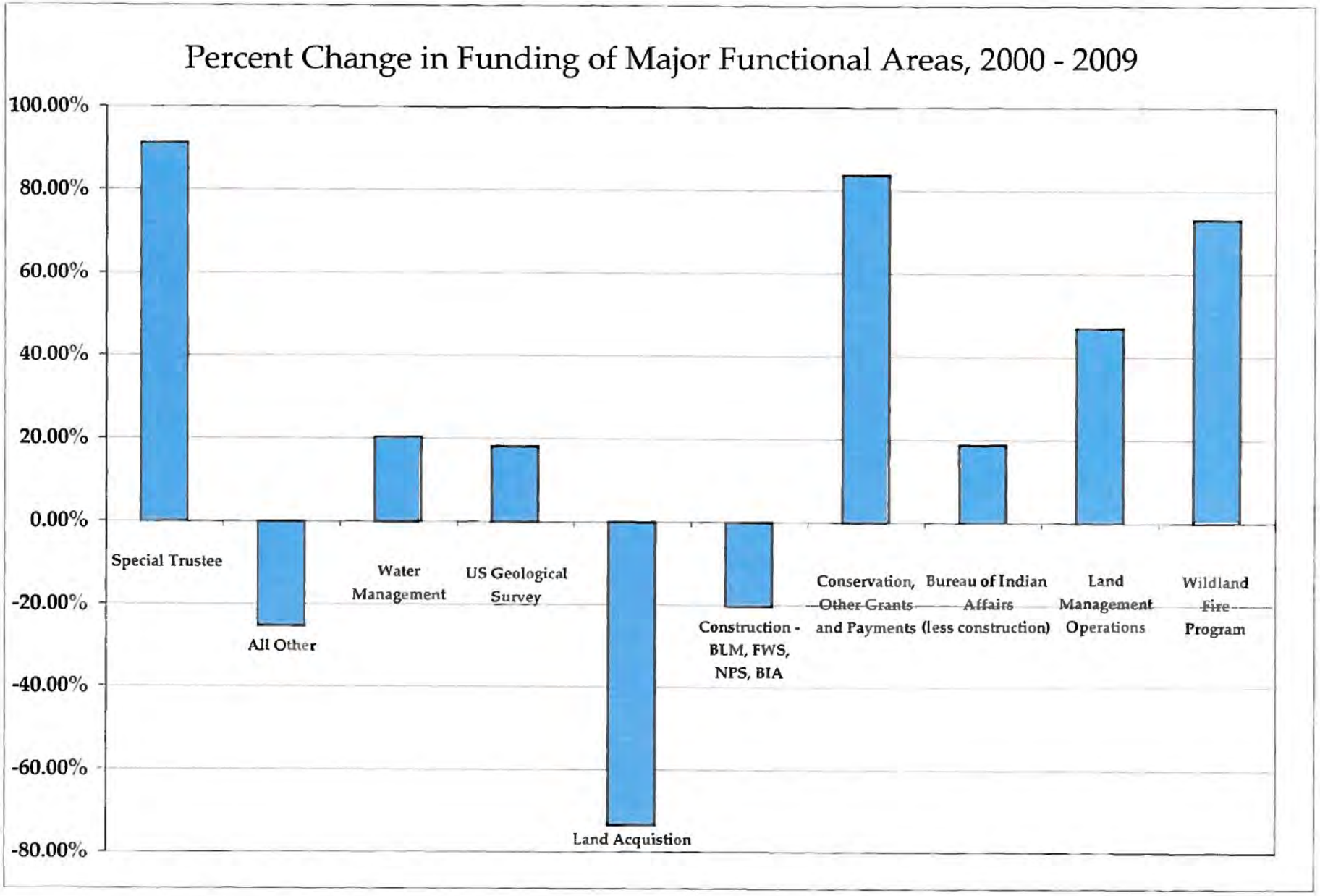


U.S. Department of the Interior 2009 President's Budget by Functional Area



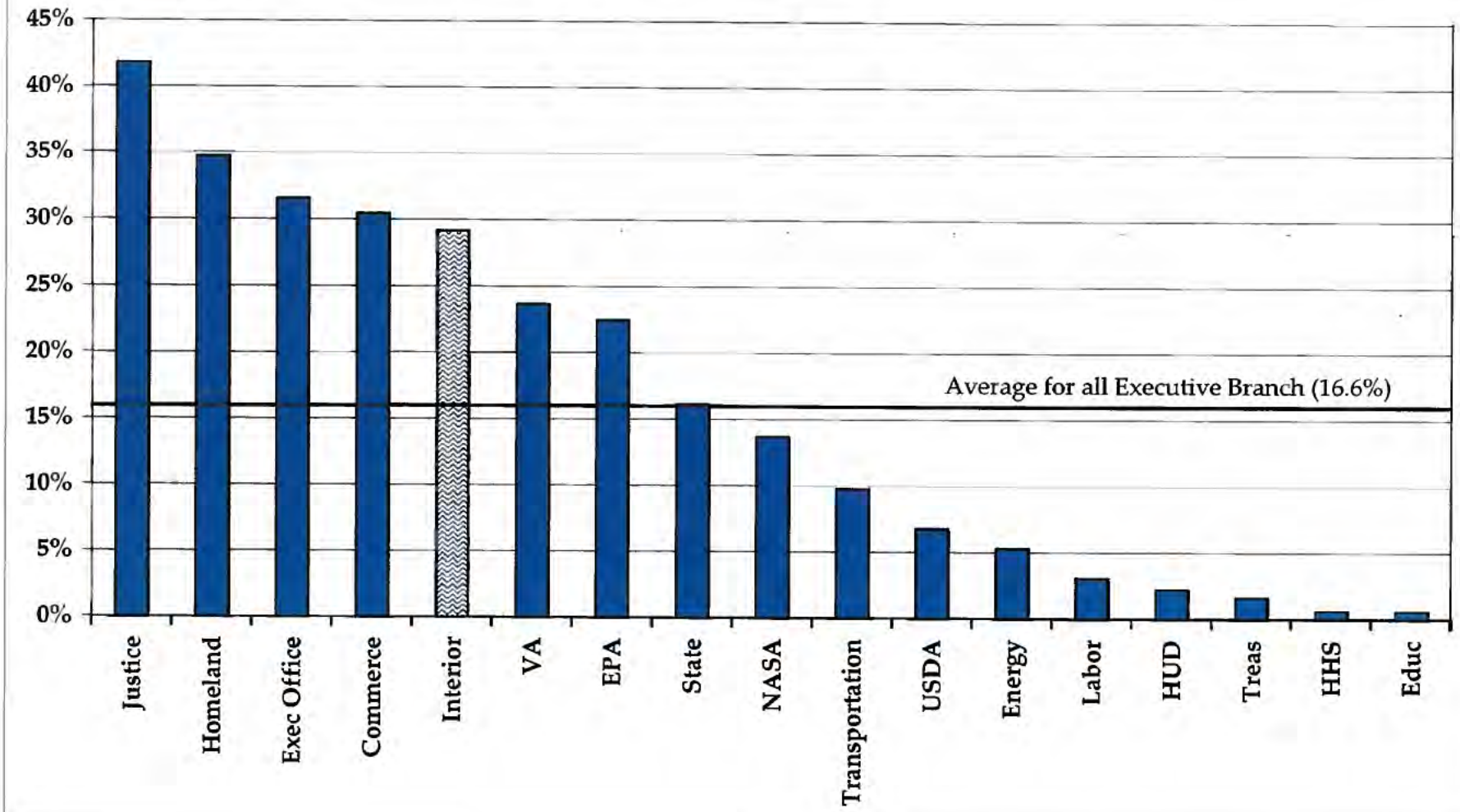
Functional Areas, 1999 - 2009



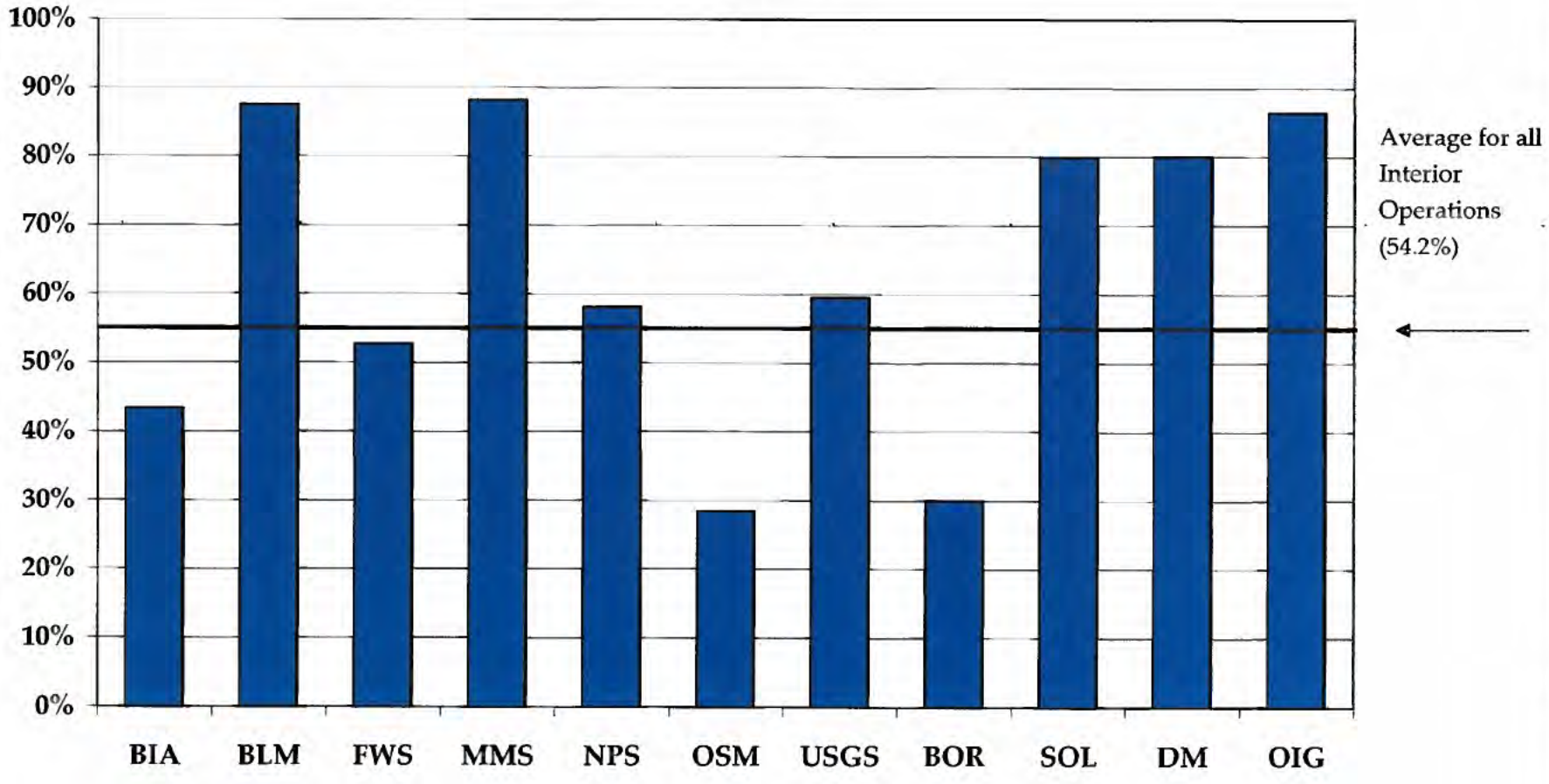

Percent Change in Funding of Major Functional Areas, 2000 - 2009
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
-20.00%
-40.00%
-60.00%
-80.00%
Special Trustee
All Other
Water Management
US Geological Survey
Land Acquistion
Construction - BLM, FWS, NPS, BIA
Conservation, Other Grants and Payments
Bureau of Indian Affairs (less construction)
Land Management Operations
Wildland Fire Program

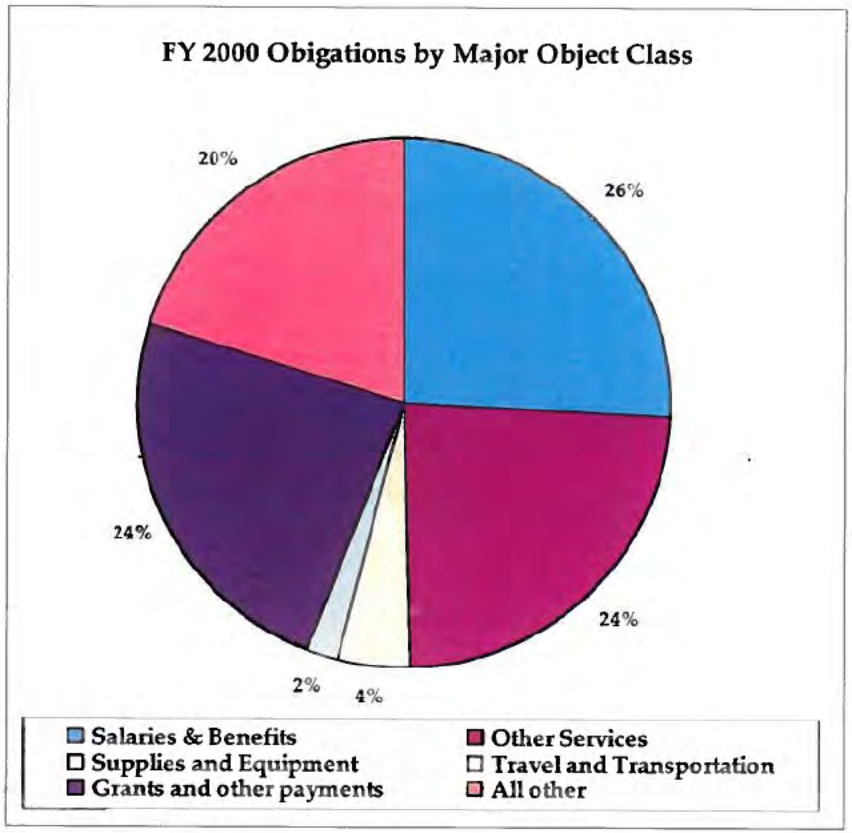
53

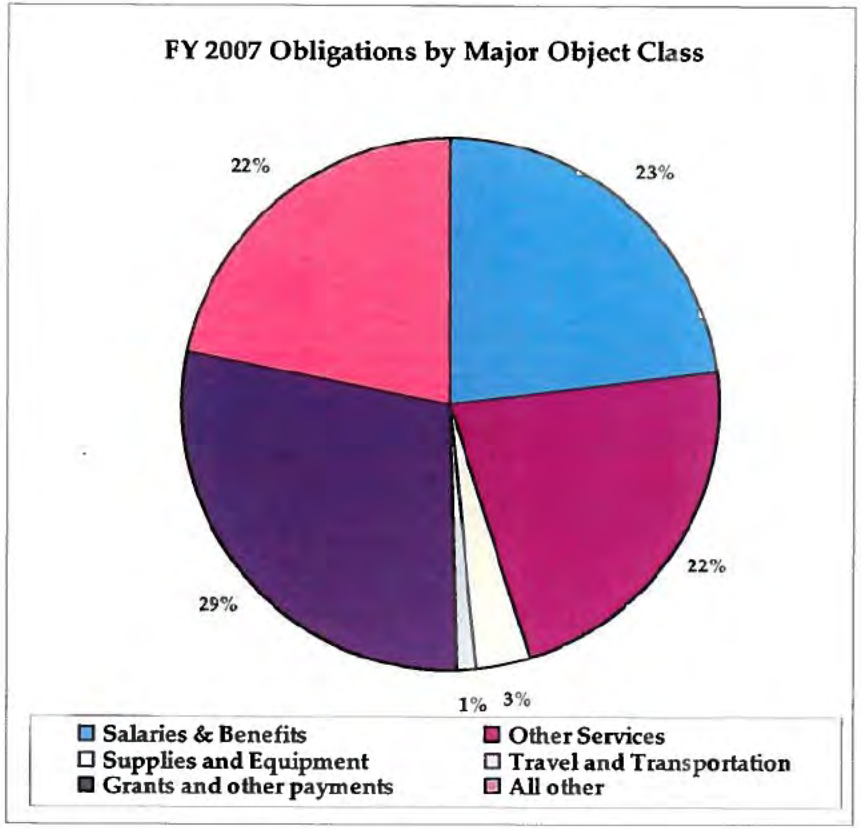
Relative Amount of Agencies Gross Obligations Needed for Salaries and Benefits Among Major Non-Defense Agencies
FY 2007 obligations



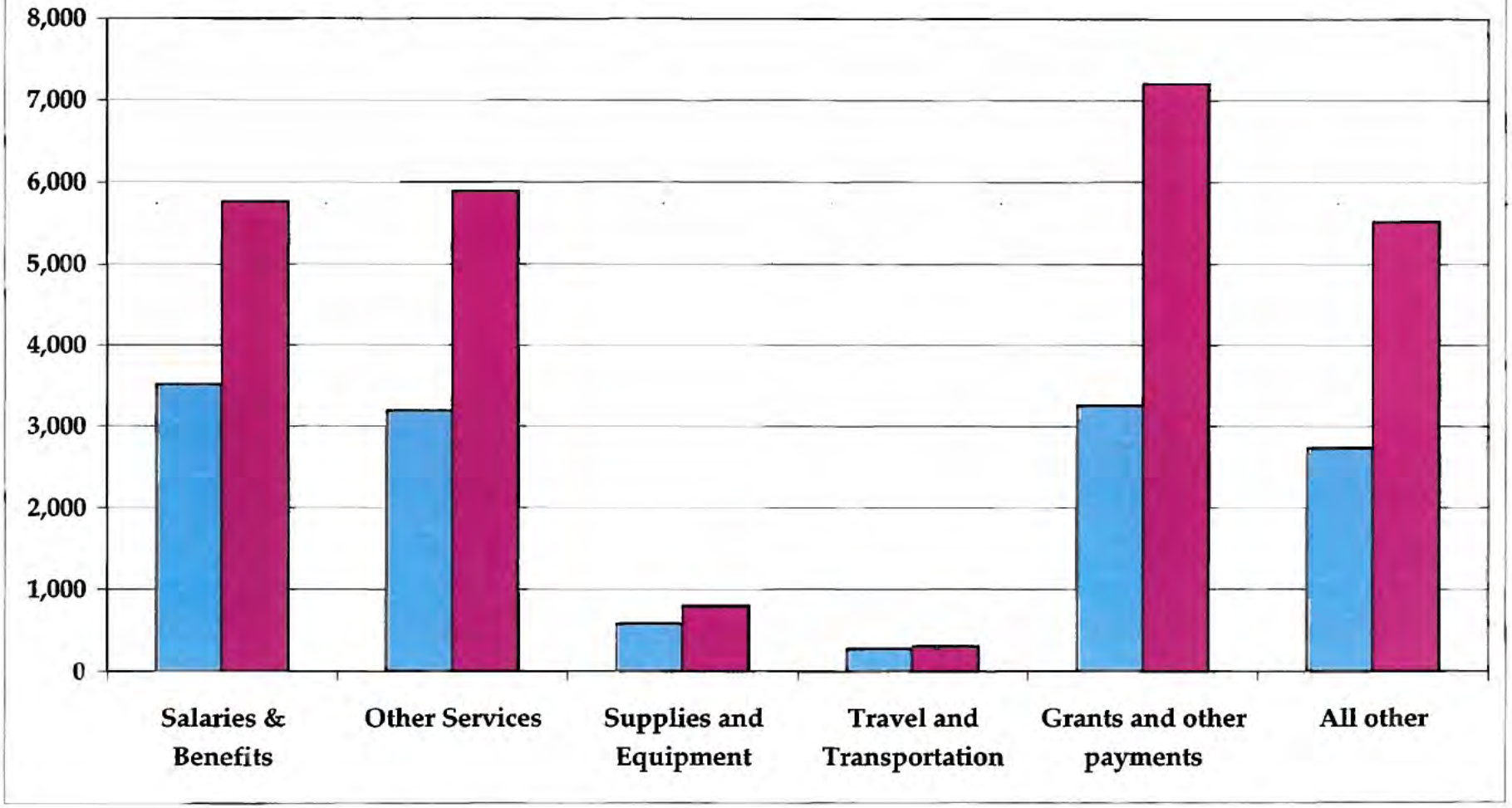
Comparison of Salaries and Benefits Cost Among Interior's Operating Accounts FY 2007

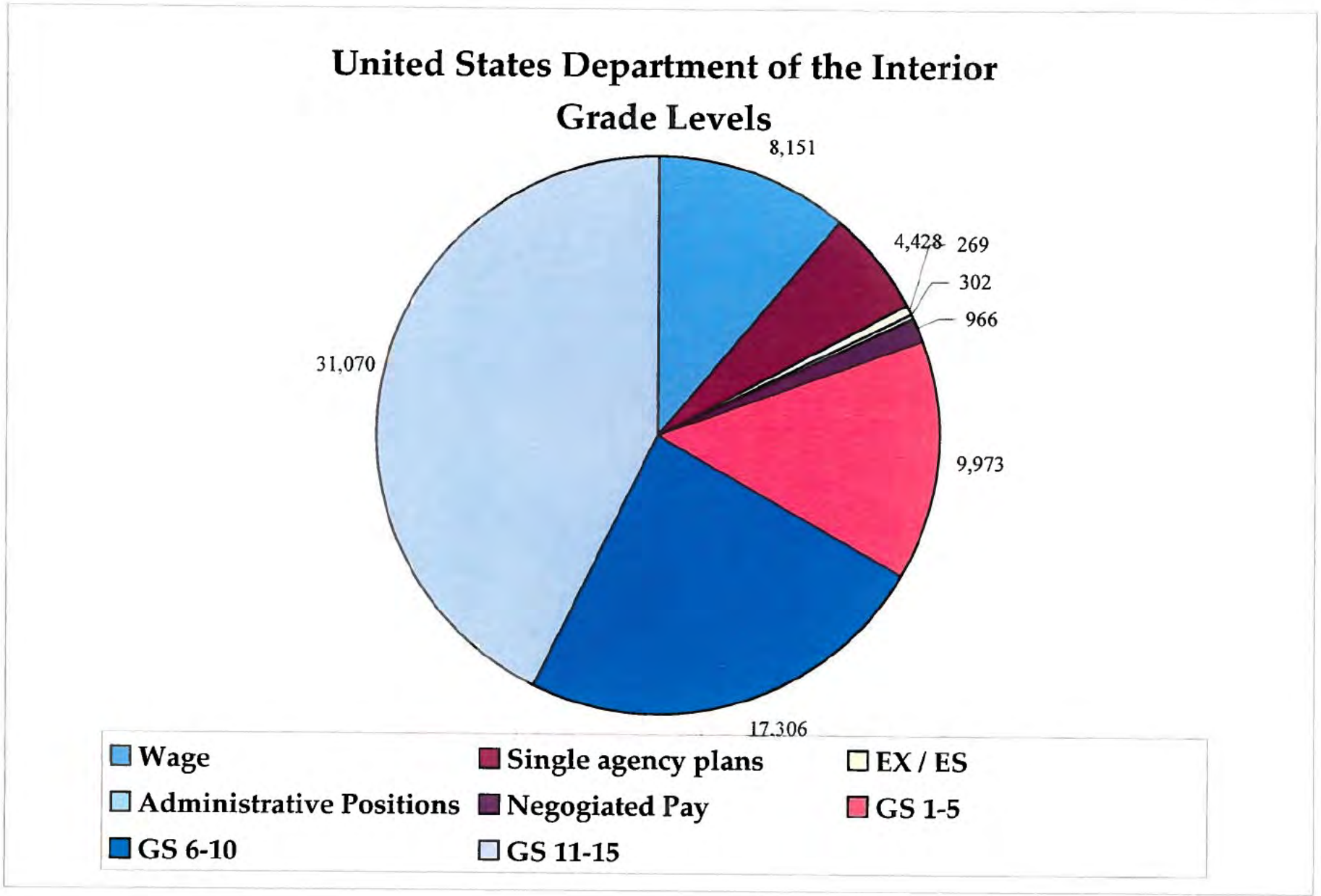



FY 2000 Obigations by Major Object Class
20%
26%
24%
24%
2%
4%
Salaries & Benefits
Other Services
Supplies and Equipment
Travel and Transportation
Grants and other payments
All other


FY 2007 Obligations by Major Object Class
22%
23%
22%
29%
1%
3%
Salaries & Benefits
Other Services
Supplies and Equipment
Travel and Transportation
Grants and other payments
All other

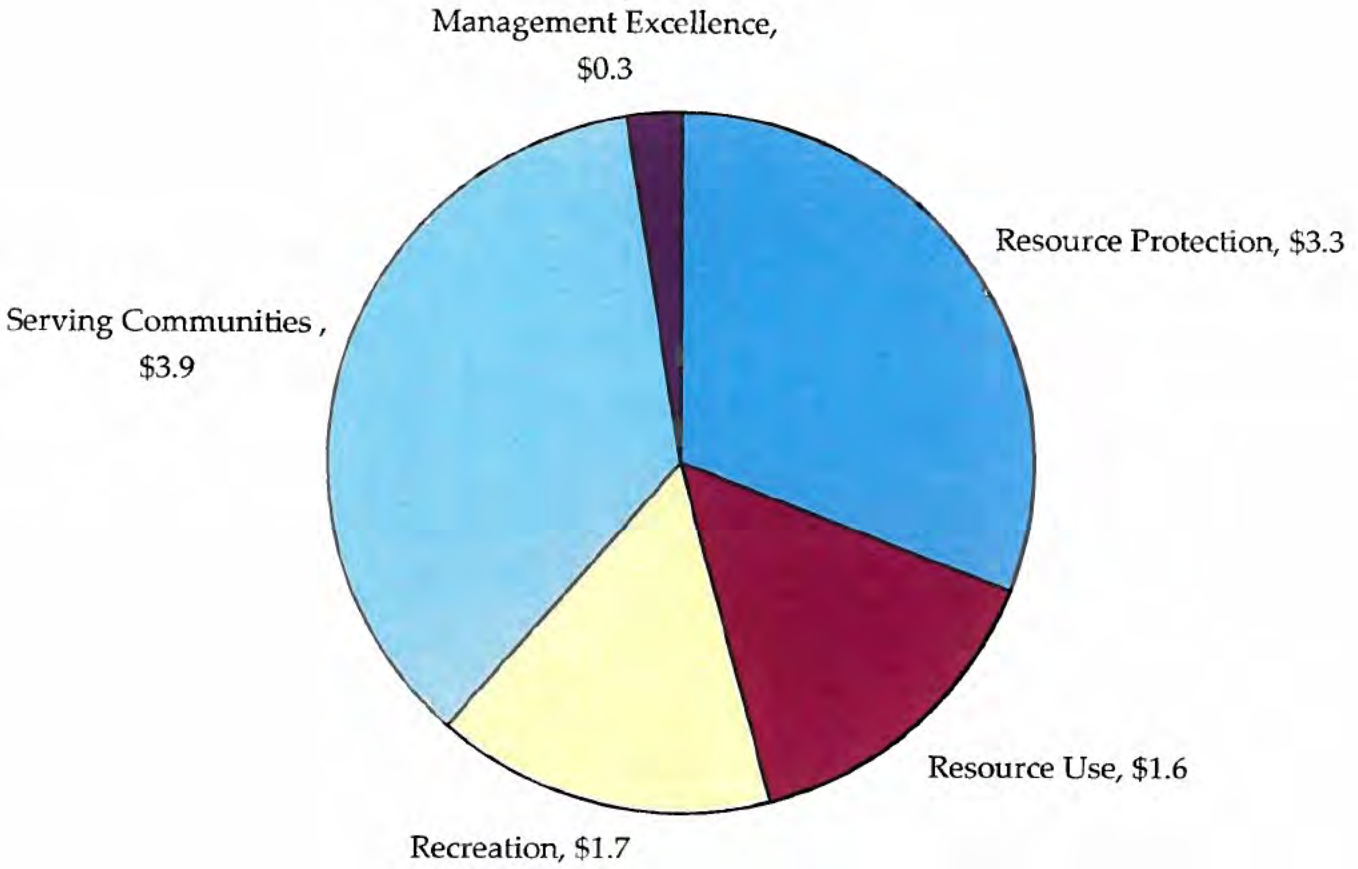
Comparison of Obligations by Object Class
FY 2000-2007, nominal dollars in millions




United States Department of the Interior
Grade Levels
8,151
4,428
269
302
966
9,973
17,306
31,070
Wage
Single agency plans
EX / ES
Administrative Positions
Negogiated Pay
GS 1-5
GS 6-10
GS 11-15

U.S. Department of the Interior FY 2009 President's Budget by Mission Goal

(billions of dollars)



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BUREAU OF LAND MANAGEMENT
BUREAU OVERVIEW

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	1,001.9	1,029.5	1,007.9	1,007.9	977.4	-30.5
Permanent	1,118.4	365.9	415.7	202.5	202.5	-213.2
Total	2,120.3	1,395.4	1,423.6	1,210.4	1,179.9	-243.7
FTE	10,668	10,567	10,626	10,626	10,548	-78.0

Bureau Profile

- The BLM administers more land than any other Federal Agency, with 258 million surface acres and 700 million acres of onshore Federal mineral estate.

- The BLM was created in 1946, when the Grazing Service was merged with the General Land Office to form the Bureau of Land Management within the Department of the Interior.

- The BLM's major responsibilities are guided by the Federal Land Policy and Management Act of 1976. Under FLPMA, the BLM has a twofold mission–management of land-based uses and conservation of resources. BLM's programs are extensive and far-reaching, including management responsibilities for: commercial activities (energy and minerals development, livestock grazing, and timber production); wild free-roaming, horses and burros; paleontological, archaeological, and historical sites; fish and wildlife habitat; rare and vulnerable plant communities; transportation systems (including roads, trails, and bridges); wilderness areas and wild and scenic rivers; and the public land survey system. The BLM multiple-use mission is one of the most complex among land management agencies. The Bureau must also respond to demands associated with Western growth and development, particularly with respect to assisting communities in their efforts to maintain the West's economic and natural heritage, and meeting national needs for energy and open space.

- The BLM estimates that revenue generated by the public lands will total $6.1 billion in 2009, including oil and gas royalties from leases on BLM and other Federal lands. Revenues from onshore oil, gas and coal leasing are shared with State governments, providing critical revenue for a host of State services. In 2007, the BLM returned more than $1.9 billion in mineral royalties, rents and bonuses to the States.

- The complexity of BLM's multiple-use mission is increasing as the West continues to urbanize and the combined effects of prolonged drought, weed invasions, and changing fire regimes are resulting in sweeping changes across landscapes.

- The BLM identified six priority emphasis areas to guide development of initiatives and programs for the period 2009 through 2012. These areas are as follows: land health; NLCS; border issues; energy security; community growth; and non-energy commodity use.

- The BLM is organized into 12 State Offices in Alaska and the West, each of which includes multiple District Offices and Field Offices.

- The BLM receives funding authority from numerous sources, including annual direct appropriations from the General Fund of the U.S. Treasury and various special funds such as the Land and Water Conservation Fund. Annual appropriations are also derived from offsetting collections from non-Federal sources such as mining claim maintenance fees.

- Some funds do not require an annual appropriation but are permanently appropriated by various laws. In this category are permanent appropriations for payments to States, counties, and Native corporations derived from revenues collected by the BLM from the sale, lease, or use of public lands and resources; for example, 2009 payments to western Oregon Counties are derived from a share of the proceeds from sales of public timber under the *Revested Oregon and California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands Act*.

- Other permanent appropriations are made available to the BLM each year for specified purposes; for example, fees collected at recreation sites and revenues from land sales authorized by the *Southern Nevada Public Land Management Act (SNPLMA)*. Under SNPLMA, 85 percent of the receipts from the sale of public lands in Clark County, Nevada are deposited in a special account and used for the acquisition of environmentally sensitive lands in Nevada and other purposes authorized by Congress.

Legislative Issues

- Over the last couple of years, BLM has worked hard to implement numerous provisions of the Energy Policy Act of 2005 (EPAct) aimed at encouraging the environmentally-sound development of Federal onshore energy resources and facilitating access to public lands for energy transmission infrastructure and renewable energy projects.

- During this same period of time, the Administration has also proposed legislation to repeal portions of Section 365 of EPAct that prohibit BLM from implementing cost recovery regulations for processing applications for permits to drill, and that create a mandatory funding source for processing APDs by diverting lease rental revenues from Treasury to BLM.

- Over the last few years, the Administration has proposed legislation to amend the Federal Lands Transfer Facilitation Act to: allow BLM to use updated management plans to identify areas suitable for disposal; allow a portion of the receipts to be used by BLM for

restoration projects; return 70 percent of the net proceeds from these sales to the Federal Treasury; and cap Interior receipt retention at $60.0 million per year.

- The 2009 President's Budget proposed legislation to amend the Mineral Leasing Act to require the full payment of bonuses on all new coal leasees at the time of lease sale, consistent with oil and gas leases.

- Over the last several years, the President's Budgets have proposed to discontinue mandatory appropriations from the Range Improvement Fund. The proposals would amend the Federal Land Policy Management Act and direct that 50 percent of grazing fee receipts currently deposited in the Range Improvement Fund (the Federal share of such receipts), be deposited in the General Fund of the Treasury.

- The 2009 President's budget proposes to enact a fee on inactive wells. The fee would be sufficient to provide $2.5 million per year to plug and abandon orphaned wells on Federal and Tribal lands. Funds would be deposited into a new permanent operating fund. FLPMA cost recovery authorities do not apply, since no identifiable beneficiary is being provided a service. The proposal is revenue neutral since new receipts will be offset by spending.

- In recent years, the President's budget has proposed to repeal section 234 of the Energy Policy Act of 2005. Prior to passage of the Energy Policy Act, geothermal lease payments were directed 50 percent to States, 40 percent to the Reclamation Fund, and 10 percent to the General Fund. The Energy Policy Act changed this beginning in 2006 to direct 50 percent to States, 25 percent to counties, and 25 percent to a new BLM Geothermal Steam Act Implementation Fund. The repeal would reverse these changes and restore the disposition of geothermal revenue to the historical formula of 50 percent to the States and 50 percent to the Treasury. These President's Budgets have also proposed to repeal section 224 of the Energy Policy Act of 2005, eliminating the new county payments from geothermal revenues.

Strategic Plan

- The wide breadth of BLM's mission and responsibilities spans all four Strategic Plan mission areas: Resource Protection, Resource Use, Recreation, and Serving Communities.

Current Issues

- The changing demographics in the West have significantly impacted the public lands and demands on BLM's resources. Managing off-highway vehicle use by public lands recreationalists is now a huge challenge for BLM. The BLM Law Enforcement program has also witnessed a significant increase in workload as a result of both increasing recreational use of the public lands, and the flow of illegal immigrants and drugs across public lands along the Southwest border.

- BLM's Oil and Gas Management program has grown significantly in recent years in an effort to keep up with demand for access to energy resources on public lands. BLM has made significant progress in processing applications for permits to drill in a more timely manner, but an APD backlog still exists. Demand for APDs is projected to remain strong. This program is discussed in more detail in a separate briefing paper.

- BLM is presently engaged in a multi-year effort to plug and remediate legacy well sites on the Alaska North Slope. These legacy wells were drilled and operated by the Federal government, and BLM is now responsible for them. The sites pose serious threats to the Arctic environment. This issue is described in more detail in a separate briefing paper.

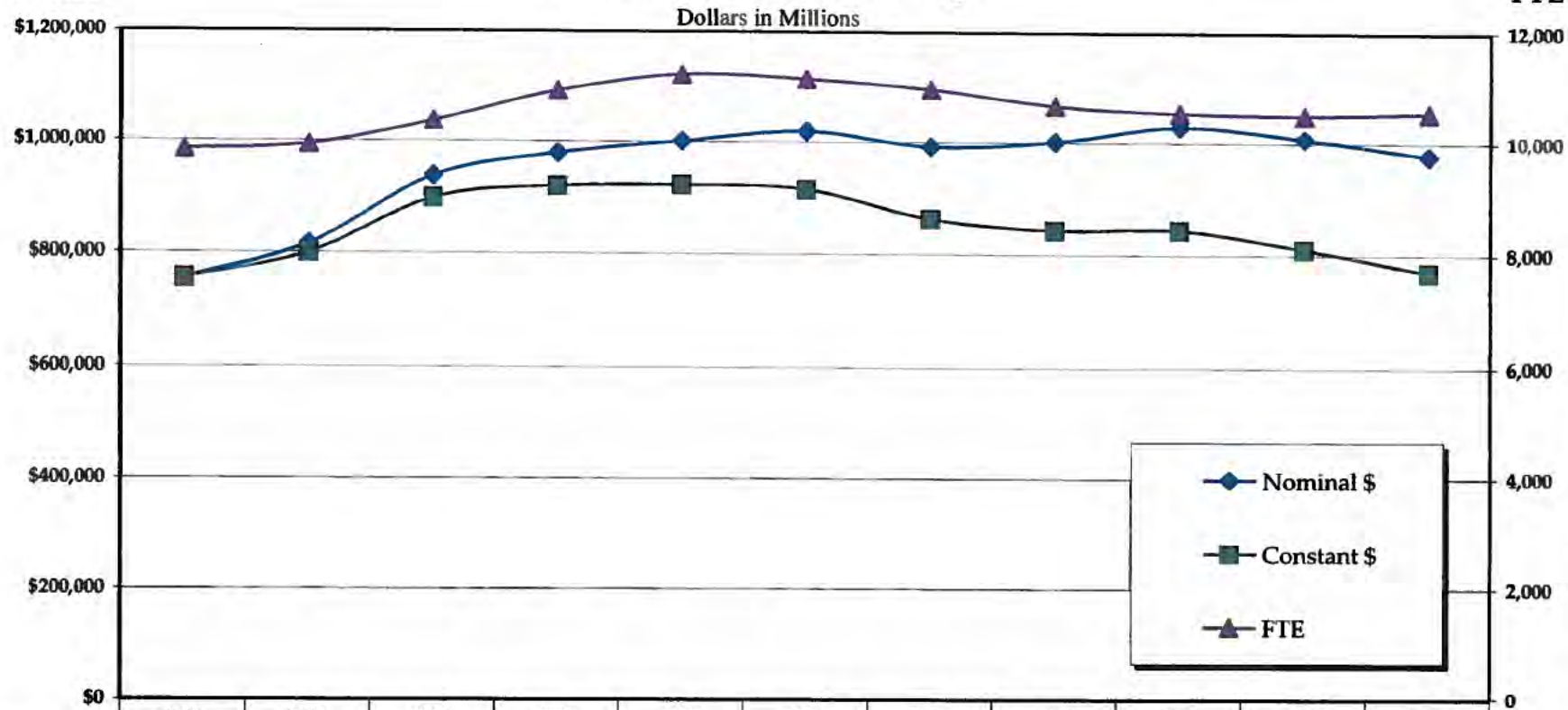
- The Wild Horse and Burro Management program is at a critical juncture. Program costs have escalated dramatically, impairing BLM's ability to conduct gathers. BLM needed to reprogram $4.7 million from other subactivities into the WH&B Management program in 2008, primarily to cover long-term holding costs. The low levels of gathers and adoptions, which are projected to remain low, will continue to drive up wild animal populations on the range. To meet its responsibilities under the Wild Free-Roaming Horses and Burros Act of 1971, BLM will need a large base funding increase or will have to implement important (and controversial) changes in its WH&B management policies and practices. This issue is discussed in more detail in a separate briefing paper.

- Since 2005, BLM has been working to revise the six resource management plans in Western Oregon that are tiered to the Northwest Forest Plan. The six Records of Decision that were developed under the Western Oregon Plan Revisions (WOPR) were issued in December 2008. The WOPR has significant implications for future timber production on BLM lands in the Pacific Northwest and funding requirements for BLM's forestry management program. The preferred option under WOPR has the potential to almost triple timber sale offerings compared to the current Northwest Forest Plan. However, such a dramatic increase in timber sales would require a significant increase in funding which is not assumed in the 2009 President's Budget or outyear budgets. Even at current funding levels, some increase in timber sales should occur due to expected efficiencies and reduced litigation impediments and costs.

- In 2009 and 2010 the BLM will continue to be challenged by the workload associated with expiring grazing permits. This workload will increase substantially in 2009 and 2010 due to another spike in permit expirations. For many years, BLM has not been able to perform all the NEPA-related work needed to fully process grazing permits. To prevent the expiration of grazing permits, which would require ranchers to pull animals off BLM allotments, Congress has included language in the annual appropriations bills allowing BLM to renew expiring grazing permits with the same terms and conditions as the expiring permits until BLM can fully process the permits. Section 325 of the FY 2004 Appropriations Act (P.L. 108-108) provided BLM the ability to renew grazing permit and leases before completion of environmental analyses for the years 2004-2008. The 2009 President's Budget Request proposes a one year extension of this authority. Congress included the provision in the 2009 continuing resolution.

- The Department's Inspector General recently issued a report on BLM's Abandoned Mine Lands program. The report was critical of the AML program for not having a complete inventory of AML sites on public lands and also asserted that the program funding level is insufficient.

Bureau of Land Management
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	755,286	815,947	937,689	978,420	1,000,942	1,019,224	992,302	1,001,901	1,029,498	1,007,897	977,415 *
Constant $	755,286	799,791	897,932	919,332	921,848	914,875	863,047	843,480	844,094	810,718	770,642
FTE	9,841	9,938	10,373	10,917	11,219	11,143	10,958	10,668	10,540	10,506	10,548

* Does not include cancellations of prior year Budget Authority

Bureau of Land Management
Table of Organization
7-29-08

(A) – Denotes Acting

Director
WO-100
Jim Caswell

Director's Staff
- Executive Assistant- Julie Kale (A)
- Executive Assistant- Pam Johansen
- Deputy Director (Operations)- Henri Bisson
- Deputy Director (Programs & Policy)- Luke Johnson
- Chief of Staff- Janet Lin

Office of National Landscape Conservation System and Community Programs
Director
Elena Daly
Deputy- Jim Murkin

- National Landscape Conservation System- Jeff Jarvis
- Education, Interpretation, and Partnerships- Mary Tisdale

Office of Law Enforcement and Security
Director
William Woody
Deputy-Keith Aller

National Operations Center
Director
Lynda Stelzer
Deputy-Vacant

- Division of Resources Services- Roxanne Falise
- Division of IRM Support Services- Bruce Downs
- Division of Human Resources Services- Annette Martinez
- Division of Business Services- Vacant
- Program Management- Melanie Rhinehart (A)

Renewable Resources and Planning
WO-200
Assistant Director
Ed Roberson
Deputy-Bud Cribley

- Decision Support, Planning and NEPA- Deb Rawhouser
- Rangeland Resources- Rob Roudabush (A)
- Fish, Wildlife & Plant Conservation- Dwight Fielder
- Cultural, Paleontological Resources and Tribal Consultation- Jerry Cordova (A)
- Recreation and Visitor Services- Bob Ratcliffe
- Wild Horses and Burros- Don Glenn (A)
- Forests and Woodlands- Scott Lieurance
- Environmental Quality and Protection- Nancy Dean

Minerals & Realty Management
WO-300
Assistant Director
Mike Nedd
Deputy-Bob Anderson

- Fluid Minerals- Tim Spisak
- Solid Minerals- Mitch Leverette
- Lands, Realty and Cadastral Survey- Jeff Holdren (A)

** Energy Policy Act Implementation Team- Ray Brady

Office of Fire & Aviation Policy
WO-400
Assistant Director
Jim Douglas
Deputy-Lynda Boody (A)

- National Interagency Fire Center (NIFC)- Deputy- Tim Murphy
- Support Services- Gary Bowers
- Fire Operations- John Glenn
- Aviation- Kevin Hamilton
- Fire Planning and Fuels Management- Aden Seidlitz
- External Affairs- Don Smurthwaite
- National Radio Communications- Vacant

Information Resources Management
WO-500
Assistant Director
Ronnie Levine
Deputy-Scott MacPherson

- Investment Management- Theresa Coleman
- Information Resources Management Governance- Keel Ross
- Business and Technology Alignment- Vacant
- Information Technology Security- Lisa Lindholm (A)

Communications
WO-600
Assistant Director
Celia Boddington
Deputy-Craig Leff

- Public Affairs- Jeff Krauss
- Legislative Affairs and Correspondence- Andrea Nelson (A)
- Regulatory Affairs- Ian Senio

Human Capital Management
WO-700
Assistant Director
Janine Velasco
Deputy-Linda Behlin

- Workforce and HR Policy- Ann Aldridge
- Civil Rights- Bobbie Moore
- Special Initiatives and Recruitment- Sylvia Felder
- Safety and Occupational Health- Louis Rowe
- National Training Center- Don Charpio

Business and Fiscal Resources
WO-800
Assistant Director
Mike Ferguson
Deputy-Laura Ceperley

- Evaluations and Management Services- Sue Richardson
- Business Resources- Ruth Welch
- Budget- Carl Rountree

Alaska
State Director
Tom Lonnie

Associate State Director
Julia Dougan

- Fairbanks DO
  - Arctic FO
  - Eastern Interior FO
  - Central Yukon FO
- Anchorage DO
  - Anchorage FO
  - Glenallen FO

Montana/Dakotas
State Director
Gene Terland

Associate State Director
Howard Lemm

- Billings FO
- Miles City FO
- North Dakota FO
- South Dakota FO
- Dillon FO
- Lewistown FO
- Butte FO
- Malta FO
- Missoula FO

Eastern States
State Director
Juan Palma

Associate State Director
Barron Bail

- Jackson FO
- Milwaukee FO

Arizona
State Director
Elaine Zielinski

Associate State Director
Helen Hankins

- Arizona Strip DO
  - Arizona Strip FO
- Colorado River DO
  - Kingman FO
  - Yuma FO
  - Lake Havasu FO
- Gila DO
  - Safford FO
  - Tucson FO
- Phoenix DO
  - Hassayampa FO
  - Lower Sonoran FO

Nevada
State Director
Ron Wenker

Associate State Director
Amy Leuders

- Elko FO
- Winnemucca FO
- Carson City FO
- Ely FO
- Las Vegas FO
- Battle Mountain FO

[4] Will convert to 3-tier by October 1, 2009

California
State Director
Mike Pool

Associate State Director
Jim Abbott

- Alturas FO
- Arcata FO
- Bakersfield FO
- Bishop FO
- California Desert DO
  - Barstow FO
  - El Centro FO
  - Needles FO
  - Palm Springs FO
  - Ridgecrest FO
- Eagle Lake FO
- Folsom FO
- Hollister FO
- Redding FO
- Surprise FO
- Ukiah FO

New Mexico
State Director
Linda Rundell

Associate State Director
Jesse Juen

- Albuquerque DO
  - Rio Puerco FO
  - Socorro FO
- Amarillo FO
- Farmington DO
  - Farmington FO
  - Taos FO
- Las Cruces DO
- Oklahoma FO
- Pecos DO
  - Carlsbad FO
  - Roswell FO

Colorado
State Director
Sally Wisely

Associate State Director
Dave Hunsaker

- Little Snake FO
- White River FO
- Kremmling FO
- Grand Junction FO
- Glenwood Springs FO
- Uncompahgre FO
- Gunnison FO
- Royal Gorge FO
- La Jara FO
- Saguache FO
- Del Norte FO
- Columbine FO

Utah
State Director
Selma Sierra

Associate State Director
Jeff Rawson

- Salt Lake FO
- Cedar City FO
- Kanab FO
- St. George FO
- Richfield FO
- Fillmore FO
- Moab FO
- Price FO
- Monticello FO
- Vernal FO

Idaho
State Director
Tom Dyer

Associate State Director
Peter Ditton

- Boise DO
  - Bruneau FO
  - Four Rivers FO
  - Owyhee FO
- Coeur d'Alene DO
  - Coeur d'Alene FO
  - Cottonwood FO
- Idaho Falls DO
  - Challis FO
  - Pocatello FO
  - Salmon FO
  - Upper Snake FO
- Twin Falls DO
  - Burley FO
  - Jarbridge FO
  - Shoshone FO

Wyoming
State Director
Bob Bennett

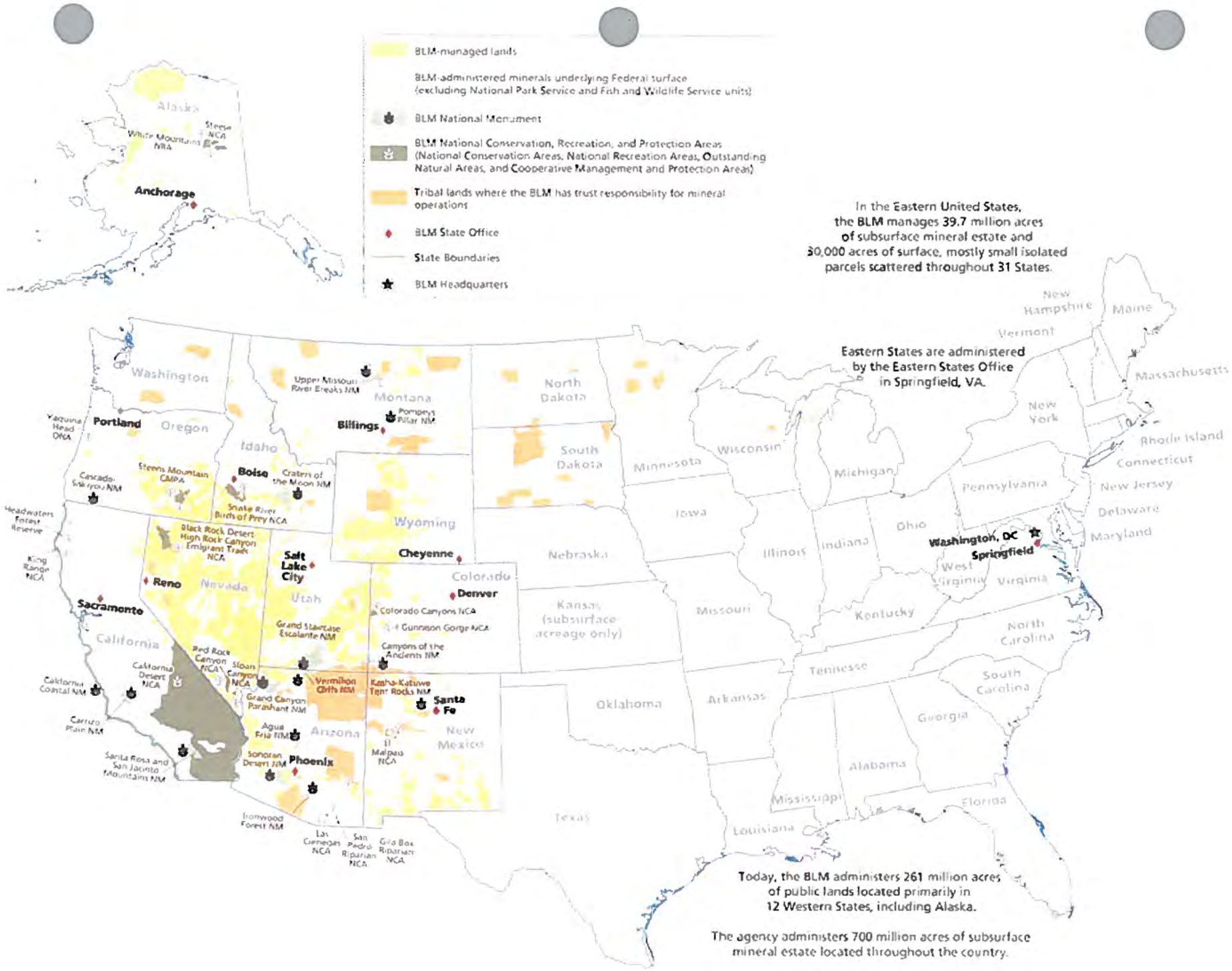
Associate State Director
Don Simpson

- Buffalo FO
- Casper FO
- Cody FO
- Kemmerer FO
- Lander FO
- New Castle FO
- Pinedale FO
- Rawlins FO
- Rock Springs FO
- Worland FO

Oregon
State Director
Ed Shepard

Associate State Director
Jim Kenna

- Burns DO
  - Three Rivers FO
  - Andrews FO
- Coos Bay DO
  - Umpqua FO
  - Myrtlewood FO
- Eugene DO
  - Siuslaw FO
  - Upper Willamette FO
- Lakeview DO
  - Klamath Falls FO
  - Lakeview FO
- Medford DO
  - Butte Falls FO
  - Glendale FO
  - Ashland FO
  - Grants Pass FO
- Prineville DO
  - Central Oregon FO
  - Deschutes FO
- Roseburg DO
  - Swiftwater FO
  - South River FO
- Salem DO
  - Cascades FO
  - Mary's Peak FO
  - Tillamook FO
- Spokane DO
  - Wenatchee FO
  - Border FO
- Vale DO
  - Baker City FO
  - Malheur FO
  - Jordan FO


BLM-managed lands
BLM-administered minerals underlying Federal surface (excluding National Park Service and Fish and Wildlife Service units)
BLM National Monument
BLM National Conservation, Recreation, and Protection Areas (National Conservation Areas, National Recreation Areas, Outstanding Natural Areas, and Cooperative Management and Protection Areas)
Tribal lands where the BLM has trust responsibility for mineral operations
BLM State Office
State Boundaries
BLM Headquarters
In the Eastern United States, the BLM manages 39.7 million acres of subsurface mineral estate and 30,000 acres of surface, mostly small isolated parcels scattered throughout 31 States.
Eastern States are administered by the Eastern States Office in Springfield, VA.
Today, the BLM administers 261 million acres of public lands located primarily in 12 Western States, including Alaska.
The agency administers 700 million acres of subsurface mineral estate located throughout the country.
Alaska
Steese NCA
White Mountains NRA
Anchorage
Washington
Oregon
Portland
Yaquina Head ONA
Cascade-Siskiyou NM
Headwaters Forest Reserve
King Range NCA
California
Sacramento
California Coastal NM
Carrizo Plain NM
Santa Rosa and San Jacinto Mountains NM
Nevada
Reno
Steens Mountain CMPA
Black Rock Desert High Rock Canyon Emigrant Trails NCA
Idaho
Boise
Snake River Birds of Prey NCA
Craters of the Moon NM
Upper Missouri River Breaks NM
Montana
Billings
Pompeys Pillar NM
Wyoming
Cheyenne
Utah
Salt Lake City
Grand Staircase Escalante NM
Red Rock Canyon NCA
Sloan Canyon NCA
California Desert NCA
Arizona
Grand Canyon Parashant NM
Agua Fria NM
Sonoran Desert NM
Phoenix
Ironwood Forest NM
Las Cienegas NCA
San Pedro Riparian NCA
Gila Box Riparian NCA
Colorado
Denver
Colorado Canyons NCA
Gunnison Gorge NCA
Canyons of the Ancients NM
Vermilion Cliffs NM
Kasha-Katuwe Tent Rocks NM
Santa Fe
New Mexico
El Malpais NCA
North Dakota
South Dakota
Nebraska
Kansas (subsurface acreage only)
Oklahoma
Texas
Minnesota
Iowa
Missouri
Arkansas
Louisiana
Wisconsin
Illinois
Michigan
Indiana
Ohio
Kentucky
Tennessee
Mississippi
Alabama
Georgia
Florida
South Carolina
North Carolina
Virginia
West Virginia
Pennsylvania
New York
Maryland
Delaware
New Jersey
Connecticut
Rhode Island
Massachusetts
Vermont
New Hampshire
Maine
Washington, DC
Springfield

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Management of Lands and Resources	5,932	853,931	5,820	864,827	-112	+10,896
Construction	27	6,375	27	4,476	0	-1,899
Land Acquisition	14	8,939	14	4,475	0	-4,464
Oregon and California Grant Lands	864	108,522	859	108,253	-5	-269
Range Improvements	41	10,000	21	0	-20	-10,000
Service Charges, Deposits and Forfeitures (Indefinite)	155	28,490	365	61,990	+210	+33,500
Minus SCDF Offset	0	-28,490	0	-61,990	0	-33,500
Miscellaneous Trust Funds (Indefinite)	63	20,130	63	20,130	0	0
Subtotal, Appropriations	7,096	1,007,897	7,169	1,002,161	+73	-5,736
Cancellation of balances	0	0	0	-24,746	0	-24,746
Subtotal, Appropriations *(w/ cancellation of balances)*	7,096	1,007,897	7,169	977,415	+73	-30,482
Permanents and Trusts						
Miscellaneous Trust Funds	13	1,800	13	1,800	0	0
Miscellaneous Permanent Appropriations	15	143,846	0	35,797	-15	-108,049
Permanent Operating Funds						
Operations and Maintenance of Quarters	1	326	1	326	0	0
Recreation Fee Demonstration	108	15,000	108	15,000	0	0
Forest Ecosystems Health and Recovery	65	6,579	65	4,737	0	-1,842
Expenses, Road Maintenance Deposits	8	2,500	8	2,500	0	0
Timber Sale Pipeline Restoration Fund	71	10,160	71	2,428	0	-7,732
Southern Nevada Land Sales	38	97,808	38	51,000	0	-46,808
Southern Nevada Earnings on Investments	0	74,000	0	73,000	0	-1,000
Lincoln County Land Sales	1	0	1	51	0	+51
Interest, Lincoln County Land Sales Act	0	1,700	0	1,400	0	-300
Stewardship Contract, Excess Receipts	0	100	0	100	0	0
Navy Petroleum Reserve #2 Lease Revenues	6	504	6	203	0	-301
Geothermal Lease and Use Auth. Fund	11	9,300	5	0	-6	-9,300
Oil and Gas Permit Processing Imp. Fund	128	23,224	59	0	-69	-23,224
Federal Land Disposal Account	7	28,800	7	14,100	0	-14,700
White Pine (85 percent special account)	0	0	0	51	0	+51
Subtotal, Permanent Operating Funds	444	270,001	369	164,896	-75	-105,105
Helium Fund	50	159,000	50	164,000	0	+5,000
Offsetting Collections	0	-159,000	0	-164,000	0	-5,000
Working Capital Fund	27	48,000	27	49,000	0	+1,000
Offsetting Collections	0	-48,000	0	-49,000	0	-1,000
Subtotal, Permanents and Trusts	549	415,647	459	202,493	-90	-213,154
Reimbursable and Other FTE	2,939	0	2,920	0	-19	0
TOTAL, BUREAU OF LAND MANAGEMENT	**10,584**	**1,423,544**	**10,548**	**1,179,908**	**-36**	**-243,636**

BUREAU OF LAND MANAGEMENT
BUDGET OVERVIEW

Major Budget Trends:

- Over a multi-year period, BLM received a very large increase in funding to support the development and updating of land use plans, and these increases have been maintained through the 2008 enacted level. To accommodate higher priorities within constrained budgets, funding for planning began to be scaled back in the 2008 budget request, which was accepted by Congress, and is reduced further in the 2009 request.

- In the period FY 2002 through FY 2008, BLM's Energy and Minerals Management programs received a significant boost in discretionary funding. In addition, beginning in 2006 BLM received a significant increase in mandatory funding for oil/gas APD processing and related work (roughly $21 million in each of years 2006 and 2007, and an estimated $23 million in 2008), which was authorized by the Section 365 of the Energy Policy Act of 2005. Funding for the Oil and Gas Management program is discussed in a separate briefing paper.

- After a long period of decline, BLM's forest management programs have received very modest increases in recent budgets, and BLM also abolished the Jobs-in-the-Woods program as a means of increasing funding for timber production and forest health treatments even further.

- In 2005, Congress supported a $10.5 million increase for the Wild Horse and Burro Management program to begin to implement a long-term strategy for achieving and maintaining appropriate management levels, and accepted the proposed reductions in other programs to fully offset the increase. The WH&B program has recently encountered escalating costs that are thwarting the progress made toward achieving AML. This is discussed in more detail in a separate briefing paper.

2008 Enacted:

- Within BLM's operating budget, Congress restored many of the base funding reductions included in the President's Budget and provided $5.0 million of the $15.0 million requested for the Healthy Lands Initiative. Congress also provided base funding increases to restore "core" capability and added $5.0 million for the NLCS. Congress only provided only $6.0 million of the requested $12.4 million for Alaska North Slope energy activities.

- Congress partially offset the unrequested increases it provided in BLM's operating accounts by shifting a significant portion of BLM's oil and gas budget from appropriations to offsetting collections through the imposition of an assessment fee on APDs that will generate $25.5 million to offset the reduction in appropriations.

- Congress provided a $7.0 million increase for BLM land acquisition and rejected the proposal to fund land acquisition from receipts generated through the sale of subsurface mineral estate.

2009 Budget:

- The 2009 budget requested $18.2 million for fixed costs; under the request BLM will absorb an additional $3.8 million in fixed cost increases.

- The budget also proposes a $3.1 million reduction in travel and relocation costs and a $1.0 million to capture savings that will be achieved from increased use of performance-based contracts.

- The 2009 request for current appropriations totals $1.002 billion, $5.8 million below the 2008 enacted level. If the Range Improvement Fund is excluded from the comparison, the 2009 request represents an increase of $4.2 million over the enacted level. It should be noted, however, that comparisons between 2008 enacted and the 2009 President's Budget at the account level or total budget level are somewhat distorted by the proposed changes in the composition of funds supporting the Oil and Gas Management program.

Management of Lands and Resources and Oregon and California Grant Lands. The 2009 budget request proposes $973.1 million for BLM's two operating accounts, an increase of $10.6 million over the 2008 enacted level. Key changes in the 2009 request as compared to the 2008 enacted level include:

- Healthy Lands Initiative: The BLM budget request includes a total of $14.9 million for the HLI, an increase of $10.0 million over the 2008 enacted level. The increased funding will allow BLM to treat additional acres in the six original HLI emphasis areas, as well as expand the Colorado emphasis area to include the northwest portion of the state, and to add California as a seventh HLI emphasis area.

- Energy: Through a combination of discretionary appropriations and estimated cost recoveries, the 2009 BLM budget proposes a net increase of $9.4 million in total funding resources available for oil and gas management, including a net program increase of $7.8 million. The net program increase includes an increase of $11.2 million to enable BLM to remediate the Atigaru legacy well site on the Alaska North Slope.

- Law Enforcement: In support of the Department's Safe Borderlands initiative, the BLM not only fully retains a $4.0 million increase provided by Congress for law enforcement activities along the southwest border, but also includes an additional $1.0 million increase in its Hazardous Materials Management program to remediate the environmental degradation associated with illegal immigration along the southwest border and to reclaim abandoned mines in the region that facilitate illegal activity.

- In order to support these higher priorities, the BLM budget includes $40.8 million in funding reductions in BLM's two operating accounts. This includes $8.8 million in management efficiency savings (including the $3.1 million travel reduction and $1.0 million in contracting savings cited above), $3.0 million in earmark reductions, and $35.4 million in base reductions to lower priority programs.

Construction. The 2009 budget request includes $4.5 million for BLM's construction program, a reduction of $1.9 million below the 2008 enacted level. Of the total, $4.1 million is for two projects in two States. Site and facility priorities are determined through an evaluation of applicable health and safety issues, resource protection needs, mission support objectives, and energy priorities. The construction budget includes $410,000 for architectural and engineering services.

Land Acquisition. The 2009 BLM budget includes $4.5 million for Land Acquisition, a reduction of $4.4 million below the 2008 enacted level. The request includes $2.0 million for four line item acquisition projects. Emergencies and hardships are funded at the 2008 request level of $944,000, a reduction of $533,000 below the 2008 enacted level. Acquisition management is funded at slightly below the enacted level.

BUREAU OF LAND MANAGEMENT
OIL AND GAS MANAGEMENT

(Dollars in thousands)

	2008 Enacted	2009 Request	Change
Regular Appropriations	90,200	112,138	+21,938
APD Fee (Offsetting Collections)	25,500	0	-25,500
APD Cost Recoveries	0	34,000	34,400
Permit Processing Improvement Fund (M)	21,000	0	-21,000
Total	136,700	146,138	+9,438

Key Points

- **The BLM has requested and received significant funding increases for its Oil and Gas Management program over the last several years to help respond to the growing demand for onshore oil and gas development and to fund the remediation costs associated with legacy wells on the Alaska North Slope.**

- **As displayed in the table above, BLM's Oil and Gas Management program is funded from a combination of discretionary and mandatory sources. This is discussed further in the "Budget Trends" section below.**

Background

- Oil and gas resources generate the highest revenues of any uses of the public lands. Oil and gas development generated $3.9 billion through royalties, rents, and bonuses in 2007. In 2007, the onshore public lands produced 14 percent of the Nation's domestically-produced natural gas, and 5 percent of its domestic oil. In 2007, the BLM administered over 49,100 oil and gas leases, of which over 21,600 oil and gas leases are producing.

- The components of the Oil and Gas Management program include the following: oil and gas leasing; processing applications for permit to drill (APDs); inspection, enforcement, and production accountability; reservoir management; oil shale leasing; Geothermal Resource Management, including Leasing, Processing Geothermal Applications for Permit to Drill and Geothermal Inspection and Enforcement; and Legacy Well and Orphan Well Management. The Geothermal energy program and Legacy Well issue are discussed in separate briefing papers.

- Currently over 45 million acres of onshore Federal oil and gas mineral estate are leased for oil and gas development in 33 states. Of this, about 11.6 million acres are in producing status with an estimated 420,000 acres of surface disturbance, which will ultimately be reclaimed upon completion of operations.

- The oil and gas industry nominates onshore Federal oil and gas mineral estate acreage to be leased in blocks of land called parcels. The BLM offers these parcels for oil and gas leasing if an adequate land use plan, which includes environmental protection stipulations, *National Environmental Policy Act* (NEPA) analysis, State and Tribal consultations, and documentation to support leasing decisions, has been completed. These parcels are offered competitively, by oral bid, at an oil and gas lease sale in order to maximize Federal and State revenue. Parcels not leased during the competitive sale process are available noncompetitively for two years.

- After an oil and gas lease has been issued, the oil and gas operator may choose to drill wells to explore for and produce oil and gas on the lease. Before any surface disturbance is allowed the BLM must first authorize the proposed development. The BLM reviews the operator's APD proposal to ensure compliance with the *National Environmental Policy Act* and to identify important surface and subsurface resources that are present and any necessary site-specific environmental protection measures the operator must take to protect those resources. BLM has made a number of recent improvements which have streamlined the processing of APDs.

- The inspection and enforcement program ensures that all conditions of the APD approval and lease stipulations are followed. The I&E program includes production verification of Federal and Indian leases to ensure that proper volumes are reported. The I&E program also performs environmental inspections to ensure that operators are complying with the lease stipulations and the surface and environmental conditions of approval attached to drilling permits.

- Reservoir management functions include the review and approval of operator agreements such as communitization, unitization, and underground gas storage agreements, as well as development contracts and well spacing orders. These agreements result in more efficient resource recovery while minimizing environmental impacts. The other major area of reservoir management program is drainage, the migration of oil or gas across lease boundaries.

Oil Shale

- The Energy Policy Act of 2005 requires that BLM facilitate the development of oil shale and tar sands resources by issuing oil shale research, development, and demonstration (RD&D) leases and putting in place the framework for an oil shale commercial leasing program. The BLM has prepared a programmatic environmental impact statement (PEIS) for oil shale and tar sands resources on the public lands. The PEIS evaluates the issues associated with land use allocations of oil shale and tar sands resources, including foreseeable commercial development activities on BLM-administered lands located in Colorado, Utah, and Wyoming.

Legacy Wells

- The BLM has a major program of well remediation in the National Petroleum Reserve – Alaska. Through early exploration programs, the U.S. Navy (1944 – 1953) and the USGS (1975 – 1982) drilled 136 wells and core holes. Many of these wells were left unplugged or only partially plugged. The BLM has assessed the condition of the 136 legacy wells and determined that 41 wells may pose a potential risk to the environment. Since 2002, 11 of these 41 wells have been plugged by the BLM. The assessment of the legacy wells is the subject of the Legacy Well Summary Report. As noted above, the Legacy Well issue is discussed more thoroughly in a separate briefing paper.

Current Issues

- Industry demand for access to oil and gas resources on on-shore public lands, as measured by APDs, jumped dramatically from 2003 to 2006. During this four-year period, the number of APDs BLM received rose from 5,063 to 10,492.

- The number of APDs received did drop in 2007 and again in 2008, but the demand still remains high from a historical perspective, and is expected to trend upward again as impediments related to infrastructure, equipment and other factors are resolved. See the table below.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Est
# of APDs										
Received	3,977	4,819	4,585	5,063	6,979	8,351	10,492	8,370	7,884	9,100
Processed	3,892	4,266	5,830	5,143	7,351	7,736	8,854	8,964	7,846	9,500
Approved	3,269	3,636	3,540	3,961	6,452	7,018	7,745	7,561	6,908	TBD

- BLM has used increased funding and new authorities provided in Section 365 of the Energy Policy Act of 2005 to increase the timeliness of processing APDs. These new EPAct tools include the creation of seven APD Pilot Offices to coordinate and streamline the processing of APDs and the establishment of a mandatory funding source to support the APD work and related use authorizations. This mandatory funding supplements appropriated funds. Section 365 redirects leasing rental receipts from the Treasury to a new BLM Permit Processing Improvement Fund, providing BLM with approximately $21 million annually. As a result, BLM has processed more APDs and reduced the APD backlog, although the number processed in 2008 did drop from the record high in 2007. See the table above.

- The 2009 budget proposes to permanently institute a processing fee on APDs through a regulatory rulemaking. The budget assumes the implementation of cost recovery fees for processing APDs will generate an estimated $34.0 million in

2009 that would be deposited in BLM's Service Charges, Deposits, and Forfeitures account.

- While demand for APDs and APD workload dropped in 2008, there was a significant increase in demand for sundry notices, which are needed for such activities as performing maintenance on production facilities. As such, maintaining BLM's capability to process sundry notices, like processing APDs, is critical to the development and production of oil and gas from BLM leases. To meet this sundry notice workload, BLM shifted resources from APD processing to processing sundry notices.

- The BLM has increased inspection and enforcement efforts to keep up with the increased exploration and development activity, as illustrated in the table below.

	2003	2004	2005	2006	2007	2008
# Inspections Completed	15,428	18,574	17,533	19,974	23,579	25,785

Oil Shale

- Section 369 of the Energy Policy Act of 2005 directed the Department to take the steps necessary to meet future requests for a commercial oil shale leasing program on Federal lands. In 2007, the Bureau of Land Management authorized six oil shale research, development, and demonstration projects on public lands in northwestern Colorado and northeastern Utah. These projects provide industry access to oil shale resources to further their development of oil shale technologies. BLM will continue to manage the ongoing R,D, and D leases in 2009.

- Assistant Secretary Allred signed the Record of Decision on the Oil Shale Programmatic Environmental Impact Statement on November 19, 2008.

- Section 433 of the FY 2008 Interior, Environment and Related Agencies Appropriations Act prohibited the Department from preparing or publishing <u>final</u> regulations related to oil shale leasing. However, Section 152 of the 2009 Continuing Resolution explicitly stated that the Section 433 limitation does not apply to amounts provided in the C.R. Thus, BLM proceeded with work and published the final regulations on November 17, 2008. The regulations provide for a phased approach to oil shale development. Commercial development will not begin until it is technologically viable, which is not expected for several years. Before any oil shale leases are issued, additional site-specific NEPA analysis would be completed on the proposed development.

Budget Trends:

- Section 365 of the Energy Policy Act of 2005 provided a new, supplemental source of funds for BLM to process APDs and other use authorizations. Section 365 redirected lease rental revenues from the Treasury to a new BLM Permit Processing Improvement Fund account for BLM to use in seven pilot offices designated by this EPAct provision. Section 365 has made approximately $21 million available to BLM's Oil and Gas Management program annually.

- BLM subsequently requested and was appropriated increased funding for APD processing, I&E, and other use authorizations in non-pilot offices.

- BLM has also requested and received funding increases targeted to the Alaska North Slope to allow BLM to: manage the increasing workload associated with leasing in the NPR-A; implement BLM's plan for remediating legacy well sites; and expand studies and coordination under the North Slope Science Initiative to better ensure energy development in Alaska is conducted in an environmentally-sound manner. If necessary, the increased funding for North Slope energy activities could be redirected to cover the pre-leasing activities for ANWR if Congress were to enact legislation to authorize energy development in the refuge.

- Additional funds were requested and appropriated for an oil shale development program.

- Since 2008, the Administration has proposed to replace the Section 365 mandatory revenues with cost recoveries from APD processing fees, and the budget requests have has proposed repealing the provisions in Section 365 that 1) established the Permit Processing Improvement Fund and 2) prohibit BLM from implementing a rulemaking that establishes a cost recovery fee for processing APDs.

- Congress has not supported the Administration's proposal to repeal these provisions of Section 365. In the 2008 Appropriations bill, Congress imposed an assessment on APDs through bill language. The bill language set the assessment at $4,000 per APD, and guaranteed BLM a total of $25.5 million in offsetting collections regardless of the amount actually collected from the new APD assessment. Congress fully offset this $25.5 million increase in offsetting collections by reducing direct appropriations for the Oil and Gas Management program by $25.5 million. Congress also reduced BLM's budget for Alaska North Slope energy activities by $6.4 million.

- In the 2009 BLM budget request, the Administration again proposed to repeal the Permit Processing Improvement Fund (-$21.0 million). The budget also proposed to permanently institute a processing fee on APDs through a regulatory rulemaking to replace the one-time assessment of $4,000 on APDs and $25.5

million in offsetting collections in the 2008 bill. Specifically, the 2009 budget request proposed a fee of $4,150 that the budget assumed would generate an estimated $34.0 million in cost recoveries. To restore the Oil and Gas Management program capability to the 2008 enacted level, the 2009 request included a $12.5 million to reflect the shift in program funding back to regular appropriations from the offsetting collections included in the 2008 appropriations bill. Finally, the 2009 request included a net program increase of $7.8 million, including increases of $11.2 million for Alaska legacy wells and $376,000 for the North Slope Science Initiative and decreases of $2.0 million for oil shale and $425,000 for gas hydrates.

- Under the 2009 C.R., 2008 appropriations language imposing the $4,000 APD assessment and providing $25.5 million in offsetting collections stays in effect.

BUREAU OF LAND MANAGEMENT
ALASKA LEGACY WELLS

Key Points:

- **BLM is presently engaged in a multi-year effort to plug and remediate legacy well sites on the Alaska North Slope.**

- **The 2009 President's Budget included an $11.2 million increase for Alaska legacy wells in order to remediate the Atigaru legacy well site during the 2008-2009 winter work season. The projected cost of remediating the Atigaru site is $17.1 million. The budget assumed that $300,000 in 2008 funds would be obligated to initiate the project, and that the remaining $16.8 million in costs would be covered in 2009 with the requested increase of $11.2 million and $5.6 million in legacy well base funding.**

- **Due to accelerated rates of erosion in recent years along the coast of the Beaufort Sea in the National Petroleum Reserve-Alaska, the Atigaru site is now within reach of being inundated with one major summer storm event.**

- **When breached, the Atigaru site's reserve pit would release 7,000 cubic yards of petroleum contaminated drilling mud and contaminants. If the well bore is comprised, it will release over 14,000 gallons of diesel into the waters.**

- **On November 24, 2008, the Department utilized the Secretary's Section 102 authority to transfer $8.9 million to BLM's Oil and Gas Management program to fund the remediation of the Atigaru site.**

Background:

- The USGS drilled 136 wells in the NPR-A in the late 1970s to investigate subsurface geological structures for their potential oil and gas resources. These "legacy" wells have been used by USGS since 1989 as climate monitoring wells.

- Accelerated coastal erosion now threatens some of these legacy wells sites, which could release dangerous toxins into the Arctic environment. Of the total, 37 pose a potential risk to the environment if they are not plugged. Of these 37, 10 have been plugged since 2002.

- In 2005, BLM used funds obtained from a Section 102 transfer to remediate the Dalton Well site and to conduct an assessment and site characterization of other legacy well sites.

- The assessment identified three high-priority sites that could be impacted by accelerated erosion in the next 5 to 10 years. Site characterization assessments and excavation plans were completed on the East Teshekpuk, Atigaru, and Drew Point sites.

- Cost estimates were also prepared for these three high-priority sites.

- A contract was awarded in FY 2007-FY 2008 to start work on the remediation and plugging of the East Teshekpuk Well Site. The project was completed on schedule in April 2008.

- The 2009 priority is the Atigaru site. The Section 102 emergency transfer mentioned above was needed because Congress had not completed action on the 2009 budget request, instead funding Interior under a continuing resolution through March 6, 2009, which did not make additional funding available for legacy wells. The Section 102 transfer will enable BLM to complete the Atigaru project during the 2008-2009 winter work season, as originally proposed in the 2009 President's Budget. The final estimated cost for Atigaru is $15.3 million, down from the $17.1 million estimate in the budget request.

- The FY 2010 priority is the Drew Point well site. A preliminary excavation program has been prepared. The transport and disposal of the contaminated reserve pit wastes is problematic. Disposal alternatives must be developed based on the current transportation infrastructure in the NPR-A and other options, such as development of an inland on-site repository. The current project cost estimate is $21 million.

BUREAU OF LAND MANAGEMENT
COAL MANAGEMENT

Key Point

- **The Bureau of Land Management (BLM) is proposing to amend its Coal Management regulations in order to address the provisions of Title D of the Energy Policy Act of 2005 (Public Law 109-58). The proposed regulation will establish three new fixed fees for BLM processing costs, clarify royalty policy for highwall mining operations, and implement several technical corrections to the existing regulations.**

Discussion

- Among the changes, the proposed regulations will increase the maximum acreage for a lease modification from 160 acres to 960 acres; establish new procedures for extending the life of a logical mine unit (LMU) beyond 40 years; change the procedures and standards for payment of advance royalty for leases and LMUs; eliminate the requirement to submit a resource recovery and protection plan within three years after lease issuance or establishment of an LMU; and establish several new processing fees..

- All required documents have been drafted and are in the approval and clearance process. The Energy Policy Act of 2005 requires a coordinated rulemaking by both the BLM and the Minerals Management Service (MMS). The MMS proposed regulations are currently awaiting the approval of the BLM proposed regulations so that they can be coordinated and approved by various Departmental offices and concurrently published in the *Federal Register*.

Background

- More than half of the electricity consumed in the United States is produced from coal. Annually, 90 percent of the 1.1 billion tons of coal mined in the United States is used to produce electricity.

- Coal produced from Federal lands annually accounts for about 40 percent of the Nation's coal production. Of the coal produced from Federal lands, 88 percent comes from the Powder River Basin of Wyoming and Montana.

- In fiscal year 2007, the production of coal from Federal lands generated $561 million in royalty revenues, half of which was shared with the State from which the coal was severed.

BUREAU OF LAND MANAGEMENT
HELIUM PROGRAM

Key Point

- **On August 20, 2008, the DOI Office of Inspector General (OIG) sent Director Jim Caswell a memorandum stating that immediate action was needed to stop the inappropriate use of cooperative agreements in BLM's Helium Program. The agreement, between the BLM and a partnership of private helium refiners, allowed for construction and government operation of a Crude Helium Enrichment Unit (CHEU).**

- **Because of strong worldwide demand, the BLM's CHEU is facing pressure to provide additional crude helium. However, the unit is operating at full capacity. The CHEU can increase production for short periods (and has in the past), but cannot do so over the long term, due to impacts to wells, compressors and other equipment.**

Discussion

- BLM is conducting an independent review of all issues identified in the OIG report.

- The BLM is continuing to provide for customer needs within the limitations of the CHEU and storage reservoir. However, the increasing dependence of private industry on the Federal Helium Reserve, a finite resource, demonstrates that long term solutions may need to include accelerated domestic and international helium exploration for the development of new helium resources, as well as additional helium conservation measures.

Background

- The BLM is responsible for administering DOI's Federal Helium Program. The primary objectives of the Federal Helium Program are to: (1) administer oversight and operation of the National Helium Reserve to ensure that a sustained supply of helium is available for essential Government needs, (2) conduct surveys to identify and evaluate helium resources of the United States, and (3) investigate and identify the ownership of helium found on Federal lands in order to audit and collect monies due the government for federally owned helium that is recovered and sold.

- Managerial and technical administration of program field activities is provided through the Amarillo Field Office in Amarillo, Texas. The Amarillo Field Office operates under the jurisdiction of BLM's New Mexico State Office.

- Operation costs and payroll requirements for the Amarillo Field Office are financed solely through income generated from the sale and storage of helium, not by appropriations from Congress. Excess income is returned annually to the U.S. Treasury for payment on the Helium Program debt, which currently is about $729 million. Over the last two years, $270 million has

been returned to the Treasury. Over $10 million per year is added to the regional economy through payroll and purchases of goods and services.

BUREAU OF LAND MANAGEMENT
NATIONAL LANDSCAPE CONSERVATION SYSTEM

	2008 Enacted	2009 Pres. Budget	Change
NMs/NCAs Subactivity*	22,189	26,016	+3,827
Wilderness Mgt. Subactivity	17,528	16,545	-983
NS&HT/NW&SR **	11,415	8,066	-3,349
Other Wash. Office Funds	1,991	116	Not comparable
Flex Funding (estimate)***	4,121	3,323	TBD
TOTAL, NLCS	57,244	54,066	

- * The NM/NCA subactivity was created in 2009. The 2008 amount represents funds allocated to National Monuments and National Conservation Areas from numerous subactivities.
- ** Funding from multiple subactivities allocated to National Scenic & Historic Trails, National Wild & Scenic Rivers.
- *** "Flex" includes refers to unrequested congressional increases and/or earmarks, funds directed to the NLCSS by BLM program leads or State Directors through the Annual Work Plan, and funds from revenue generating activities that are allocated within a given budget year.

Key Points

- **The 2009 President's Budget includes $54.1 million for the NLCS.**

- **The BLM is implementing a budget restructure in 2009 that is designed to improve the transparency of the National Landscape Conservation System budget.**

- **This restructure involves the creation of a NLCS/National Monuments and National Conservation Areas budget activity/subactivity in each of BLM's two operating accounts by shifting funds to it from existing subactivities that currently support operations in national monument and national conservation area units.**

- **National monuments and national conservation areas are the two largest units in the NLCS.**

Background

- The National Landscape Conservation System (NLCS) was established in 1999. It is comprised of congressionally and administratively recognized conservation areas on the public lands, including National Conservation Areas, National Monuments, National Scenic and Historic Trails, Wild and Scenic Rivers, and Wilderness Areas.

- The NLCS units are managed to enhance the conservation values for which they were designated. These areas are tied to special management prescriptions as defined by Acts of Congress or Presidential proclamations. The NLCS mission is to conserve, protect, and restore these nationally significant landscapes and their exceptional cultural, ecological, and scientific values for the benefit of current and future generations.

- Individual NLCS units are under the jurisdiction of local BLM offices and may cross administrative boundaries. NLCS units, while geographically distinct, are not organizationally distinct. Some National Monuments and National Conservation Areas may have a dedicated manager, but most NLCS employees are shared with the hosting field office.

Budget Restructure:

- The budget restructure will improve budgeting, tracking, and management of the NLCS and responds to Congressional interest for a more transparent budget for the system.

- The new subactivities provide base funding for the annually recurring costs for personnel and operations at each NM and NCA unit. Other funding from existing subactivity programs will continue to supplement the base funding in the new NLCS subactivities. Base funding is defined as the historic annually recurring costs for basic personnel and operations at each unit. It does not include one-time or non-recurring costs such as those for land health assessments, special projects, or land use planning. These costs will continue to be funded through appropriate subactivities.

- Establishing the new subactivities for the NMs and NCAs will create additional efficiencies and maximize benefits to these components of the NLCS. It will allow managers to better plan for their units and ensure more accurate tracking of the NLCS budget and BLM's achievements. The ability to enter into cost-sharing partnerships will increase because willing donors will be able to more clearly identify each unit's budget.

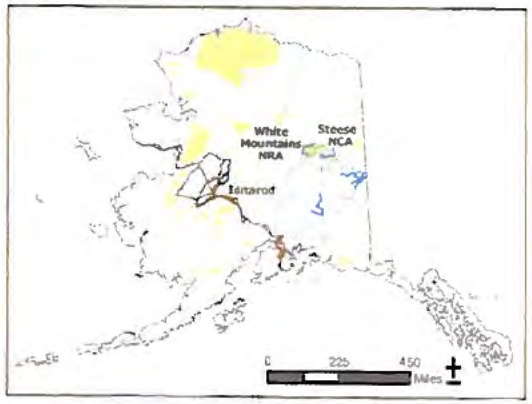
- BLM funds the entire NLCS system (i.e. including components other than NMs and NCAs) through a variety of sources using a multi-pronged approach as illustrated in the table below.

NLCS Component	Funding Source(s)
National Monuments/National Conservation Areas	Two new National Monument and National Conservation Area subactivities provide base funding. A composite of the BLM's existing subactivities provide additional, annual funding for specific projects and short term programs. These funds fluctuate from year to year and supplement the base funding.
Wilderness/Wilderness Study Areas	Existing Wilderness Management subactivity
National Scenic and Historic Trails	A composite of the BLM's existing subactivities
Wild and Scenic Rivers	A composite of the BLM's existing subactivities

- BLM has indicated its interest in creating new subactivities in 2010 to fund base operations for National Scenic and Historic Trails and Wild and Scenic Rivers, just as it created new subactivities for NMs and NCAs in 2009.

- As noted in the table above, the NLCS system also includes BLM's Wilderness Areas and Wilderness Management Areas. These are currently funded in BLM's Wilderness Management subactivity, which is currently organized under BLM's Recreation Management budget activity. To more clearly communicate the totality of the NLCS budget, BLM has indicated its interest in moving the existing Wilderness Management subactivity into its new NLCS budget activity.

National Landscape Conservation System



- National Monuments, National Conservation Areas, and similar designations
- National Historic Trail
- National Scenic Trail
- Wild and Scenic River
- BLM Administered Land
- BLM Wilderness
- BLM Wilderness Study Area
- National Trail Visitor Center
- Interstate Highway

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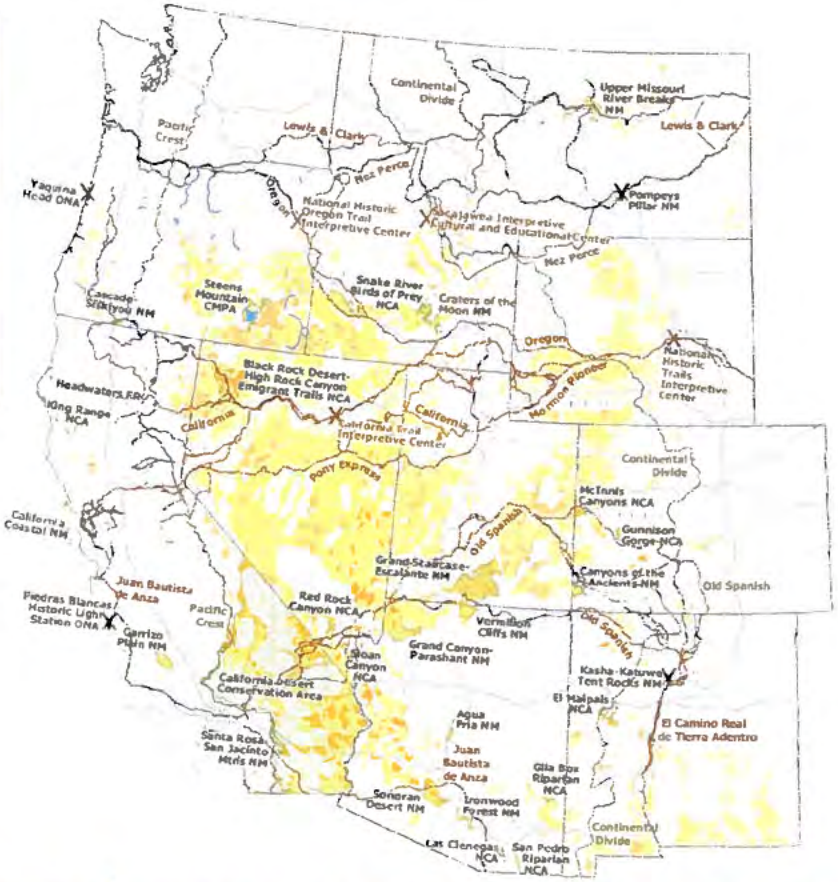


Mission:
To conserve, protect, and restore nationally significant landscapes recognized for their cultural, ecological, and scientific values for the American public.

Landscapes of the American Spirit

National Landscape Conservation System - November 6, 2008

National Monuments

Conservation Designation	Name	State	Date	BLM Acreage
National Monument	Agua Fria	Arizona	2000	70,900
National Monument	Grand Canyon-Parashant	Arizona	2000	808,727
National Monument	Ironwood Forest	Arizona	2000	128,398
National Monument	Sonoran Desert	Arizona	2001	486,600
National Monument	Vermilion Cliffs	Arizona	2000	279,568
National Monument	California Coastal	California	2000	883
National Monument	Carrizo Plain	California	2001	204,107
National Monument	Santa Rosa-San Jacinto Mountains	California	2000	86,400
National Monument	Canyons of the Ancients	Colorado	2000	165,900
National Monument	Craters of the Moon	Idaho	2000	273,468
National Monument	Pompeys Pillar	Montana	2001	51
National Monument	Upper Missouri River Breaks	Montana	2001	374,976
National Monument	Kasha-Katuwe Tent Rocks	New Mexico	2001	4,645
National Monument	Cascade-Siskiyou	Oregon	2000	52,947
National Monument	Grand Staircase-Escalante	Utah	1996	1,870,800

National Conservation Areas

National Conservation Area	Steese	Alaska	1980	1,208,624
National Conservation Area	Gila Box Riparian	Arizona	1990	21,767
National Conservation Area	Las Cienegas	Arizona	2000	41,972
National Conservation Area	San Pedro Riparian	Arizona	1988	55,495
Conservation Area	Californa Desert	California	1976	10,671,080
National Conservation Area	King Range	California	1970	58,151
National Conservation Area	McInnis Canyons	Colorado	2000	122,929
National Conservation Area	Gunnison Gorge	Colorado	1999	62,844
National Conservation Area	Snake River Birds of Prey	Idaho	1993	485,604
National Conservation Area	Black Rock Desert-High Rock Canyon-Emigrant Trails	Nevada	2000	799,165
National Conservation Area	Red Rock Canyon	Nevada	1990	197,382
National Conservation Area	Sloan Canyon	Nevada	2002	48,438
National Conservation Area	El Malpais	New Mexico	1987	227,100
National Recreation Area	White Mountains	Alaska	1980	998,702

Other Similar NLCS Areas

Forest Reserve	Headwaters	California	1999	7,472
Cooperative Management and Protection Area	Steens Mountain	Oregon	2000	428,181
Outstanding Natural Area	Piedras Blancas Historic Light Station	California	2008	18

National Landscape Conservation System - November 6, 2008				
Conservation Designation	***Name***	***State***	***Date***	***BLM Acreage***
Outstanding Natural Area	Jupiter Inlet	Florida	2008	63
Outstanding Natural Area	Yaquina Head	Oregon	1980	95

Wilderness

Wilderness	Aravaipa Canyon	Arizona	1984	19,700
Wilderness	Arrastra Mountain	Arizona	1990	129,800
Wilderness	Aubrey Park	Arizona	1990	15,400
Wilderness	Baboquivari Peak	Arizona	1990	2,040
Wilderness	Big Horn Mountains	Arizona	1990	21,000
Wilderness	Cottonwood Point	Arizona	1984	6,860
Wilderness	Coyote Mountains	Arizona	1990	5,100
Wilderness	Dos Cabezas Mountains	Arizona	1990	11,700
Wilderness	Eagletail Mountains	Arizona	1990	97,880
Wilderness	East Cactus Plain	Arizona	1990	14,630
Wilderness	Fishhooks	Arizona	1990	10,500
Wilderness	Gibralter Mountain	Arizona	1990	18,790
Wilderness	Grand Wash Cliffs	Arizona	1984	37,030
Wilderness	Harcuvar Mountains	Arizona	1990	25,050
Wilderness	Harquahala Mountains	Arizona	1990	22,880
Wilderness	Hassayampa River Canyon	Arizona	1990	12,300
Wilderness	Hells Canyon	Arizona	1990	9,311
Wilderness	Hummingbird Springs	Arizona	1990	31,200
Wilderness	Kanab Creek	Arizona	1984	6,700
Wilderness	Mount Logan	Arizona	1984	14,650
Wilderness	Mount Nutt	Arizona	1990	28,080
Wilderness	Mount Tipton	Arizona	1990	31,380
Wilderness	Mount Trumbull	Arizona	1984	7,880
Wilderness	Mount Wilson	Arizona	1990	23,900
Wilderness	Muggins Mountains	Arizona	1990	7,711
Wilderness	Needle's Eye	Arizona	1990	8,760
Wilderness	New Water Mountains	Arizona	1990	24,600
Wilderness	North Maricopa Mountains	Arizona	1990	63,200
Wilderness	North Santa Teresa	Arizona	1990	5,800
Wilderness	Paiute	Arizona	1984	87,900
Wilderness	Paria Canyon - Vermilion Cliffs	Arizona/Utah	1984	109,400
Wilderness	Peloncillo Mountains	Arizona	1990	19,440
Wilderness	Rawhide Mountains	Arizona	1990	38,470
Wilderness	Redfield Canyon	Arizona	1990	6,600
Wilderness	Sierra Estrella	Arizona	1990	14,400
Wilderness	Signal Mountain	Arizona	1990	13,350
Wilderness	South Maricopa Mountains	Arizona	1990	60,100

National Landscape Conservation System - November 6, 2008

Conservation Designation	*Name*	*State*	*Date*	*BLM Acreage*
Wilderness	Swansea	Arizona	1990	16,400
Wilderness	Table Top	Arizona	1990	34,400
Wilderness	Tres Alamos	Arizona	1990	8,300
Wilderness	Trigo Mountains	Arizona	1990	30,300
Wilderness	Upper Burro Creek	Arizona	1990	27,440
Wilderness	Wabayuma Peak	Arizona	1990	38,944
Wilderness	Warm Springs	Arizona	1990	112,400
Wilderness	White Canyon	Arizona	1990	5,790
Wilderness	Woolsey Peak	Arizona	1990	64,000
Wilderness	Argus Range	California	1994	61,995
Wilderness	Big Maria Mountains	California	1994	45,367
Wilderness	Bigelow Cholla Garden	California	1994	135,482
Wilderness	Bighorn Mountain	California	1994	26,573
Wilderness	Black Mountain	California	1994	20,537
Wilderness	Bright Star	California	1994	8,190
Wilderness	Cache Creek	California	2006	27,245
Wilderness	Bristol Mountains	California	1994	70,026
Wilderness	Cadiz Dunes	California	1994	19,308
Wilderness	Cedar Roughs	California	2006	70,319
Wilderness	Carrizo Gorge	California	1994	14,735
Wilderness	Chemehuevi Mountains	California	1994	85,801
Wilderness	Chimney Peak	California	1994	13,105
Wilderness	Chuckwalla Mountains	California	1994	86,527
Wilderness	Cleghorn Lakes	California	1994	33,475
Wilderness	Clipper Mountain	California	1994	33,905
Wilderness	Coso Range	California	1994	49,274
Wilderness	Coyote Mountains	California	1994	18,622
Wilderness	Darwin Falls	California	1994	8,176
Wilderness	Dead Mountains	California	1994	46,822
Wilderness	Domeland Addition	California	1994	39,273
Wilderness	El Paso Mountains	California	1994	23,659
Wilderness	Fish Creek Mountains	California	1994	21,425
Wilderness	Funeral Mountains	California	1994	25,696
Wilderness	Golden Valley	California	1994	36,464
Wilderness	Grass Valley	California	1994	30,048
Wilderness	Hollow Hills	California	1994	22,037
Wilderness	Ibex	California	1994	28,809
Wilderness	Indian Pass	California	1994	32,083
Wilderness	Inyo Mountains	California	1994	124,970
Wilderness	Ishi	California	1984	240
Wilderness	Jacumba	California	1994	31,237
Wilderness	Kelso Dunes	California	1994	144,274
Wilderness	Kiavah	California	1994	40,933

National Landscape Conservation System - November 6, 2008				
Conservation Designation	*Name*	*State*	*Date*	*BLM Acreage*
Wilderness	Kingston Range	California	1994	199,525
Wilderness	King Range	California	2006	42,585
Wilderness	Little Chuckwalla Mountains	California	1994	28,019
Wilderness	Little Picacho	California	1994	38,182
Wilderness	Machesna Mountain	California	1984	120
Wilderness	Malpais Mesa	California	1994	32,008
Wilderness	Manly Peak	California	1994	12,889
Wilderness	Mecca Hills	California	1994	26,314
Wilderness	Mesquite	California	1994	44,877
Wilderness	Newberry Mountains	California	1994	20,308
Wilderness	Nopah Range	California	1994	106,579
Wilderness	North Algodones Dunes	California	1994	25,818
Wilderness	North Mesquite Mountains	California	1994	28,943
Wilderness	Old Woman Mountains	California	1994	162,984
Wilderness	Orocopia Mountains	California	1994	46,093
Wilderness	Otay Mountain	California	1994	16,885
Wilderness	Owens Peak	California	1994	73,573
Wilderness	Pahrump Valley	California	1994	74,378
Wilderness	Palen/McCoy	California	1994	212,982
Wilderness	Palo Verde Mountains	California	1994	29,167
Wilderness	Picacho Peak	California	1994	8,853
Wilderness	Piper Mountain	California	1994	72,152
Wilderness	Piute Mountains	California	1994	48,044
Wilderness	Resting Spring Range	California	1994	76,280
Wilderness	Rice Valley	California	1994	41,643
Wilderness	Rocks and Islands	California	2006	5
Wilderness	Riverside Mountains	California	1994	24,029
Wilderness	Rodman Mountains	California	1994	29,793
Wilderness	Sacatar Trail	California	1994	50,483
Wilderness	Saddle Peak Hills	California	1994	1,528
Wilderness	San Gorgonio Addition	California	1994	38,507
Wilderness	Santa Lucia	California	1978	1812
Wilderness	Santa Rosa Addition	California	1994	56,671
Wilderness	Sawtooth Mountains	California	1994	33,598
Wilderness	South Fork - Eel River	California	2006	12,915
Wilderness	Sheephole Valley	California	1994	186,673
Wilderness	South Nopah Range	California	1994	17,050
Wilderness	Stateline	California	1994	7,012
Wilderness	Stepladder Mountains	California	1994	83,527
Wilderness	Surprise Canyon	California	1994	24,373
Wilderness	Sylvania Mountains	California	1994	18,677
Wilderness	Trilobite	California	1994	29,626
Wilderness	Trinity Alps	California	1984	4,471

National Landscape Conservation System - November 6, 2008				
Conservation Designation	***Name***	***State***	***Date***	***BLM Acreage***
Wilderness	Turtle Mountains	California	1994	177,174
Wilderness	Ventana Additions	California	2002	723
Wilderness	Whipple Mountains	California	1994	76,063
Wilderness	Yollo Bolly-Middle Eel	California	1984	7,795
Wilderness	Yuki	California	2006	17,365
Wilderness	Black Ridge Canyons	Colorado/Utah	2000	75,439
Wilderness	Gunnison Gorge	Colorado	1999	17,784
Wilderness	Powderhorn	Colorado	1993	48,115
Wilderness	Uncompahgre	Colorado	1993	3,390
Wilderness	Frank Church - River of No Return	Idaho	1980	802
Wilderness	Lee Metcalf - Bear Trap Canyon Unit	Montana	1983	6,347
Wilderness	Arrow Canyon	Nevada	2002	27,530
Wilderness	Becky Peak	Nevada	2006	18,119
Wilderness	Big Rocks	Nevada	2004	12,997
Wilderness	Black Rock Desert	Nevada	2000	314,829
Wilderness	Bristlecone	Nevada	2006	14,095
Wilderness	Calico Mountains	Nevada	2001	64,983
Wilderness	Clover Mountains	Nevada	2004	85,748
Wilderness	Delamar Mountains	Nevada	2004	11,328
Wilderness	East Fork High Rock	Nevada	2001	52,616
Wilderness	El Dorado	Nevada	2002	5,700
Wilderness	Far South Egans	Nevada	2004	36,384
Wilderness	Fortification Range	Nevada	2004	30,656
Wilderness	Goshute Canyon	Nevada	2006	42,544
Wilderness	Government Peak	Nevada	2006	6,313
Wilderness	Highland Ridge	Nevada	2006	68,627
Wilderness	High Rock Canyon	Nevada	2001	46,463
Wilderness	High Rock Lake	Nevada	2001	59,093
Wilderness	Ireteba Peaks	Nevada	2002	10,446
Wilderness	Jumbo Springs	Nevada	2002	4,631
Wilderness	La Madre Mountain	Nevada	2002	27,879
Wilderness	Lime Canyon	Nevada	2002	23,233
Wilderness	Little High Rock Canyon	Nevada	2001	48,353
Wilderness	Mt. Charleston	Nevada	2002	2,142
Wilderness	Meadow Valley Range	Nevada	2004	123, 488
Wilderness	Mormon Mountains	Nevada	2004	157,938
Wilderness	Mount Irish	Nevada	2004	28,334
Wilderness	Mount Grafton	Nevada	2006	78, 754
Wilderness	Mount Moriah	Nevada	1989	8,708
Wilderness	Muddy Mountains	Nevada	2002	44,498
Wilderness	North Black Rock Range	Nevada	2001	30,646

National Landscape Conservation System - November 6, 2008				
Conservation Designation	***Name***	***State***	***Date***	***BLM Acreage***
Wilderness	North Jackson Mountains	Nevada	2001	23,437
Wilderness	North McCullough	Nevada	2002	14,763
Wilderness	Pahute Peak	Nevada	2001	56,890
Wilderness	Parsnip Peak	Nevada	2004	43,693
Wilderness	Rainbow Mountain	Nevada	2002	20,311
Wilderness	South Eagan Range	Nevada	2006	67,214
Wilderness	South Jackson Mountains	Nevada	2001	54,534
Wilderness	South McCullough	Nevada	2002	44,245
Wilderness	South Pahroc Range	Nevada	2004	25,800
Wilderness	Spirit Mountain	Nevada	2002	605
Wilderness	Tunnel Spring	Nevada	2004	5,371
Wilderness	Weepah Spring	Nevada	2004	51,480
Wilderness	Wee Thump Joshua Tree	Nevada	2002	6,050
Wilderness	White Rock Range	Nevada	2004	24,413
Wilderness	Worthington Range	Nevada	2004	30,664
Wilderness	Bisti/De-Na-Zin	New Mexico	1984	38,305
Wilderness	Cebolla	New Mexico	1987	61,743
Wilderness	Ojito	New Mexico	2005	11,183
Wilderness	West Malpais	New Mexico	1987	39,959
Wilderness	Hells Canyon	Oregon	1984	1,038
Wilderness	Steens Mountain	Oregon	2000	170,025
Wilderness	Table Rock	Oregon	1984	5,500
Wilderness	Wild Rogue	Oregon	1978	10,160
Wilderness	Beaver Dam Mountains	Utah/Arizona	1984	17,600
Wilderness	Cedar Mountains	Utah	2006	101,400
Wilderness	Juniper Dunes	Washington	1984	7,140

Wilderness Study Areas

Wilderness Study Areas	1 area	Alaska		478,700
Wilderness Study Areas	2 areas	Arizona		63,930
Wilderness Study Areas	71 areas	California		880,175
Wilderness Study Areas	54 areas	Colorado		621,737
Wilderness Study Areas	66 areas	Idaho		1,314,160
Wilderness Study Areas	39 areas	Montana		449,963
Wilderness Study Areas	63 areas	Nevada		2,552,457
Wilderness Study Areas	58 areas	New Mexico		953,211
Wilderness Study Areas	91 areas	Oregon/ Washington		2,708,194
Wilderness Study Areas	98 areas	Utah		3,207,364
Wilderness Study Areas	42 areas	Wyoming		574,401

Wild and Scenic Rivers

Wild and Scenic Rivers	Beaver Creek	Alaska	1980	111.0

National Landscape Conservation System - November 6, 2008				
Conservation Designation	***Name***	***State***	***Date***	***BLM Acreage***
Wild and Scenic Rivers	Birch Creek	Alaska	1980	126.0
Wild and Scenic Rivers	Delta	Alaska	1980	62.0
Wild and Scenic Rivers	Fortymile	Alaska	1980	392.0
Wild and Scenic Rivers	Gulkana	Alaska	1980	181.0
Wild and Scenic Rivers	Unalakleet	Alaska	1980	80.0
Wild and Scenic Rivers	North Fork American	California	1978	12.0
Wild and Scenic Rivers	Eel (Middle Fork & South Fork)	California	1981	32.0
Wild and Scenic Rivers	Klamath	California	1981	1.5
Wild and Scenic Rivers	Trinity	California	1981	17.0
Wild and Scenic Rivers	Tuolumne	California	1984	3.0
Wild and Scenic Rivers	Merced	California	1987;1992	12.0
Wild and Scenic Rivers	Upper Missouri	Montana	1976	149
Wild and Scenic Rivers	Rio Grande (includes Red River)	New Mexico	1968;1994	63.8
Wild and Scenic Rivers	Rio Chama	New Mexico	1988	7.2
Wild and Scenic Rivers	Rogue	Oregon	1968	47.0
Wild and Scenic Rivers	Owyhee	Oregon	1984	120.0
Wild and Scenic Rivers	North Fork Owyhee	Oregon	1988	9.6
Wild and Scenic Rivers	West Little Owyhee	Oregon	1988	57.6
Wild and Scenic Rivers	North Fork Crooked	Oregon	1988	18.8
Wild and Scenic Rivers	Crooked (Middle & Lower)	Oregon	1988	17.8
Wild and Scenic Rivers	Deschutes (Middle & Lower)	Oregon	1988	120.0
Wild and Scenic Rivers	Donner und Blitzen (Includes South Fork & Little Blitzen; Little & Big Indian, Fish, Mud, Ankle & South Fork Ankle Creeks)	Oregon	1988;2000	78.5
Wild and Scenic Rivers	Grande Ronde	Oregon	1988	24.9
Wild and Scenic Rivers	John Day (Main Stem)	Oregon	1988	147.5
Wild and Scenic Rivers	South Fork John Day	Oregon	1988	47.0
Wild and Scenic Rivers	North Umpqua	Oregon	1988	8.4
Wild and Scenic Rivers	Powder	Oregon	1988	11.7
Wild and Scenic Rivers	Quartzville Creek	Oregon	1988	9.7
Wild and Scenic Rivers	Salmon	Oregon	1988	8.0
Wild and Scenic Rivers	Sandy	Oregon	1988	12.5
Wild and Scenic Rivers	White	Oregon	1988	24.7
Wild and Scenic Rivers	Clackamas	Oregon	1988	0.5
Wild and Scenic Rivers	Klamath	Oregon	1994	11.0
Wild and Scenic Rivers	Wallowa	Oregon	1996	10.0
Wild and Scenic Rivers	Elkhorn Creek	Oregon	1996	3.0
Wild and Scenic Rivers	Wildhorse & Little Wildhorse Creeks	Oregon	2000	9.6

National Landscape Conservation System - November 6, 2008				
Conservation Designation	***Name***	***State***	***Date***	***BLM Acreage***
Wild and Scenic Rivers	Kiger Creek	Oregon	2000	4.3

National Scenic & Historic Trails

National Historic Trail	California	California/Idaho/ Utah/Wyoming	1992	1391
National Historic Trail	El Camino Real de Tierra Adentro	New Mexico	2004	60
National Historic Trail	Iditarod	Alaska	1978	418
National Historic Trail	Juan Bautista de Anza	Arizona/Californa	1990	116
National Historic Trail	Lewis and Clark	Idaho/Montana	1978	369
National Historic Trail	Mormon Pioneer	Wyoming	1978	213
National Historic Trail	Nez Perce	Idaho/Montana/ Wyoming	1986	70
National Historic Trail	Old Spanish	Arizona/Californa/ Colorado/ Nevada/New Mexico/ Utah	2002	887
National Historic Trail	Oregon	Idaho/Oregon/ Wyoming	1978	656
National Historic Trail	Pony Express	Nevada/Utah/ Wyoming	1992	697
National Scenic Trail	Continental Divide	Colorado/Idaho/Montana/New Mexico/Wyoming	1978	377
National Scenic Trail	Pacific Crest	California/Oregon	1968	231
National Scenic Trail	Potomac Heritage	Maryland	1983	2

BUREAU OF LAND MANAGEMENT
WILD HORSE AND BURRO MANAGEMENT

(Dollars in thousands)

	2008 Enacted	2009 Request	Change
Short-Term Holding	14,740	10,393	-4,347
Long-Term Holding	10,253	11,276	+1,023
Other Program Components*	11,207	15,292	+4,085
Total, Wild Horse and Burro Mgt. Program	36,201	36,961	+760

*Includes other WH&B program activities such as gathers, adoptions, research, and census.
Note: these funding amounts reflect what was presented in the 2009 Pres. Budget, so they do not reflect the 2008 reprogramming of $4.7 million or current estimates of what funding level is needed in 2009.

Key Points

- **To meet its responsibilities under the Wild Free-Roaming Horses and Burros Act and prevent serious damage to rangeland health and the socio-economic conflicts it could precipitate, BLM will need a large base funding increase in 2009 (that would have to be increased in 2010 and beyond) and/or have to implement important (and controversial) changes in its WH&B management policies and practices regarding selling and euthanizing horses. The 2009 President's budget request did not include the necessary base funding increase.**

- **BLM is currently developing a strategy to address the challenges confronting the WH&B program. In this endeavor, it is considering a range of options and consulting with outside groups. BLM plans to present its final recommendations to the WH&B Advisory Committee in mid-November.**

- **As of January 9, 2009, the BLM and Department have prepared a letter to notify Congress that BLM is redirecting funds made available under the 2009 Continuing Resolution in order to provide an additional $9.3 million to the WH&B program during the period of the C.R. The C.R. funds the Department through March 6, 2009.**

Background

- The Wild Free-Roaming Horses and Burros Act of 1971 requires the protection, management, and control of wild free-roaming horses and burros in a manner designed to achieve and maintain a thriving natural ecological balance on the public lands.

- The BLM manages wild horse and burro populations, on the range, by monitoring the animals and their habitat, establishing appropriate management levels, and removing animals when the AMLs are exceeded. Higher populations result in overgrazing of forage and damage to rangeland health.

- AMLs, which have a high to low range, are adjusted as necessary based on results obtained from monitoring the health of the land. The total high-end of AML is approximately 27,300 animals.

Discussion

- Long-term holding costs have increased dramatically over the past year, driven by such factors as higher feed and transportation costs, unplanned emergency gathers due to drought and wildfire, and plummeting adoption rates.

- As a result, BLM has been forced to severely curtail planned wild horse gathers and virtually cease all other aspects of the program, such as census and herd management activities. Curtailing gathers, in turn, has led to an increase in the wild horse population on the public lands. This population increase is reversing the progress BLM made over the last few years in moving the WH&B population closer to the goal of appropriate management levels (AML) and threatens to damage rangeland health.

- In 2008, BLM needed to reprogram $4.7 million from other subactivities into the WH&B Management program, primarily to cover long-term holding costs.

- In 2008, holding costs rose to $28.0 million to consume three-fourths of the program's total budget of $37 million. The program anticipates that feeding and caring for the animals in will cost over $30 million. (Note: There are more than 30,000 horses and burros in short- and long-term holding).

- In November, 2008, BLM identified the need for $54.5 million for the WH&B program in 2009, an increase of $18.4 million over the 2009 C.R. annualized rate of $36 million in order to maintain program operations at a minimum level while BLM evaluates and begins to implement near term and long-term strategic and alternative management approaches to help move the program toward the achievement of AML in a more cost-effective manner than is possible by continuing the current management approach. For the BLM to continue its existing policies, the agency's wild horse and burro budget would need to be at a level of a minimum of $58 million in 2009, and increase incrementally to $77 million by the year 2012 (a $41 million increase over the current budget), with gradual increases each year thereafter.

- The estimated funding needs described above represent the total funding needed to continue operating the program using the existing policies, without exercising any of the BLM's other legal options such as euthanasia and sale authorities.

- The BLM is currently analyzing various options to reduce the program's costs, from exercising its euthanasia and sales authorities to expanded fertility treatments and converting grazing permits to wild horse use, to name a few. Implementation of the various options will have additional funding requirements; however, the Bureau anticipates that the upfront costs to implement new strategies will provide substantial savings in the out years.

- The General Accountability Office just completed a report on the WH&B program that should be published in November. Among its many findings, the report states: "...BLM has committed to caring for these [unadoptable] animals, even though the law requires their humane destruction or sale without limitation and the cost for their care off-the-range is now overwhelming the program."

Legislative History

- Prior to 1988, the Wild Free-Roaming Horses and Burros Act directed the Secretary to destroy additional excess wild free-roaming horses and burros for which there was no adoption demand, in the most humane and cost efficient manner possible. Due to public outcry, a moratorium was placed on the destruction of healthy animals from 1988 to 2004.

- The Act was again modified by the 2005 Omnibus Appropriations Act (Public Law 108-447). This reinstated the pre-1998 directive and added a new directive that the BLM shall sell animals over 10 years of age or animals unsuccessfully offered for adoption three times without limitation, including through auction to the highest bidder, at local sale yards or other convenient livestock selling facilities, until such time as all excess animals offered for sale sold; or AML is attained.

- In the first few months of 2005, approximately 1,500 animals were sold, which provided a lifetime holding cost savings of $7.5 million to $15 million (based on the long natural lifespan of horses that averages 30 years). The sale program was temporarily halted by then Secretary Norton due to public outcry that several animals ended up in commercial processing plants which sell the meat for human consumption.

- The program was reinstated after the bill of sale was revised strictly prohibiting any person to purchase horses with the intent to sell for commercial use. To date, approximately 2,750 animals have been sold through the sale authority (June 2008); the lifetime holding cost savings if each of the sold animals lived an average of an additional 15-years in holding would be approximately $21,862,500.

BUREAU OF LAND MANAGEMENT
GRAZING ADMINISTRATION

Key Point

- **In 2009 and 2010 the BLM will continue to be challenged by the workload associated with expiring grazing permits. This workload will increase substantially in 2009 and 2010 due to another spike in permit expirations.**

- **Having all permits processed by end of 2009, and being in a position to process permits that expire in 2010 and beyond prior to their expiration is a challenge due to increasing litigation (grazing decisions and 2006 Grazing Rulemaking), increasing NEPA standards and complexity, major FOIA requests and the potential listing of sage-grouse. If sage-grouse is listed, the majority of permits in Oregon, Nevada, Utah, Wyoming and Idaho will require ESA consultation. Some offices in Montana, California and Colorado would also be affected by a listing of sage-grouse.**

Background

- At end of FY2007, BLM had processed 87% of permits that have expired since October 1998. "Processed" means completed NEPA, ESA requirements, and a final decision was issued.

- During FY 2008, some of the permits which had been processed in 1998 and 1999 expired and needed to be processed again. Some were able to use the NEPA analysis developed in the first process, and others needed new NEPA analysis because of increasingly higher standards set by District Court (e.g. must address cumulative impacts for all actions, not just grazing).

- In 2009 and 2010, about 5,400 permits are scheduled to expire. Most of these have been processed and BLM may be able to rely on the existing NEPA documentation, but many will require new NEPA analysis because of the changed standards and new information.

- Congress has provided language in annual appropriations bills to authorize continued grazing when permits expire before they can be fully processed, under the same terms and conditions of the expiring permit.

- Most recently, Section 325 of the FY 2004 Appropriations Act (P.L. 108-108) provided BLM the ability to renew grazing permit and leases before completion of environmental analyses for the years 2004-2008. The 2009 President's Budget Request proposes a one year extension of this authority. Congress included the provision in the 2009 continuing resolution

- This language has allowed BLM to change how it prioritizes its workload to focus on competing land health assessments and NEPA analysis so that it could fully process

permits in the highest priority areas, instead of having its workload driven by the expiration of dates of permits in low priority areas.

- In the last ten years, permit processing has been driven by the goal of eliminating the backlog of expired but unprocessed permits, not by condition of resources.

- BLM is now developing policy to prioritize permit processing based on land health issues rather than on expiration dates, and gathering information for NEPA processes.

- This includes revising Grazing Manuals and Handbooks to improve administrative efficiencies, including data management, that will in turn to increase time available for monitoring and assessment work, project development, implementing grazing management plans, and associated range improvements to improve land health. Better assessment and monitoring information will help yield more defensible grazing plans and reduce the incidence of litigation..

- BLM needs increased funding and improved work processes and policy to keep up with the workload of fully processing all permits as they expire.

- A table and charts showing the 10-year history of grazing permit processing follows.

BUREAU OF LAND MANAGEMENT

Permit Backlog Information

October 31,2008

Annual Permit Backlog Information											
Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Permits Expired	5364	1982	1631	1564	1500	1336	1603	1407	1432	2984	2106
Permits Fully Processed	3864	1493	2270	1253	1957	1272	1504	1134	2011	2168	TBD
Permits Backlogged	1500	1989	1350	1661	1807	2049	2610	2883	2304	3120	TBD

Cumulative Grazing Permit Renewals

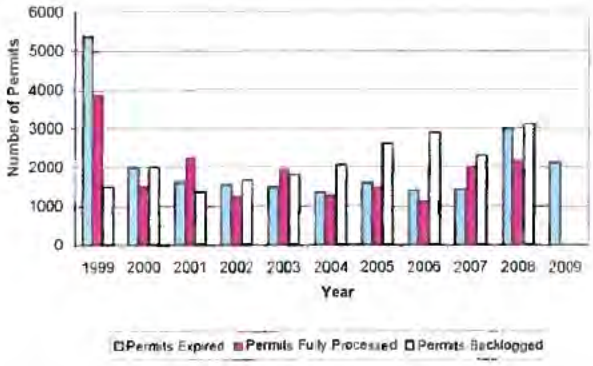
Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Permits Expired	5364	7346	8977	10541	12041	13377	14980	16387	17819	20803	22909
Permits Fully Processed	3864	5357	7627	8880	10837	12109	13613	14747	16758	18926	TBD
Permits Backlogged	1500	1989	1350	1661	1807	2049	2610	2883	2304	3120	TBD

After 2002, Permits Fully Processed include permits expiring in the future, but which are fully processed ahead of time in order to reduce future spike. Permits backlogged cannot be derived by adding (or subtracting) the columns of data. Each cell is independently derived because of the processing of permits which have not yet expired. The cumulative number of permits expired in 2008 is greater than the number of permits because some permits have expired more than once since 1999.

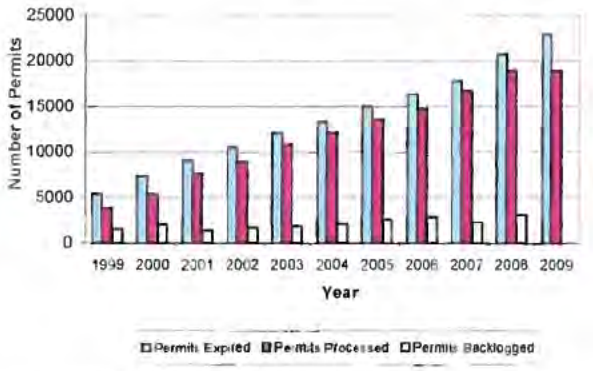
Numbers in red are projected estimates and subject to change.

The Bureau expects to be able to process more permits in 2009 because they will have already been processed once, resulting in less intensive NEPA.

Grazing Permit Renewals



Cumulative Grazing Permit Renewals



BUREAU OF LAND MANAGEMENT
FEDERAL LAND TRANSACTION FACILITATION ACT (FLTFA)

Key Point

- **The last few President's Budgets have proposed amendments to FLTFA that would: extend the Act until January 1, 2018; expand the categories of lands eligible for acquisition and sale; allow 30% of net sale proceeds for land acquisition and conservation enhancement projects on Federal land; and direct 70% of net sale proceeds into the General Fund of the Treasury.**

Background:

- The BLM has general authority under the Federal Land Policy and Management Act of 1976 (FLPMA) to dispose of public lands by sale or exchange.

- The Federal Land Transaction Facilitation Act (FLTFA) of July 25, 2000, 43 U.S.C. 2301, *et. seq.*, allows the BLM to retain 96% of the proceeds from FLTFA-eligible sales and exchanges (the 96% of sale proceeds are deposited in the Federal Land Disposal Account). The majority of these funds are directed to land acquisition. The remaining 4% of sales proceeds are given to the State in which the land sale occurred.

- Of the 96% of sales proceeds deposited in the Federal Land Disposal Account, 80% is for land acquisition and 20% is for administration. Of the 80% set-aside for land acquisition, a minimum of 80% is for "in state" acquisitions; and the remaining up to 20% is for acquisitions in any of the 10 contiguous Western states or Alaska. Of the funds set-aside for "in state" acquisitions, not less than 80% is limited to the purchase of inholdings, and not more than 20% is limited to the purchase of edgeholdings.

- A May 2003 FLTFA Memorandum of Understanding identified the following FLTFA land acquisition funding targets: BLM (60%); NPS (10%), FWS (10%), and Forest Service (20%).

- The Secretaries of the Interior and Agriculture approve the acquisition requests.

- To be FLTFA-eligible, the lands exchanged or sold must have been identified for disposal through the land use planning process before July 25, 2000.

- Much of the land that BLM has preliminarily identified for disposal is uneconomic to sell, because completing the administrative actions required prior to sale would cost the government more money than the sale would raise. For instance, they are are isolated or scattered rural tracts. However, some lands that have been identified for disposal are in high-value, urban interface areas (e.g., Las Cruces, New Mexico; Laughlin, Nevada; or St. George, Utah, Yuma, California, and Phoenix, Arizona).

- Before sales can be undertaken, the lands must have a cadastral survey, and environmental, endangered species, cultural resource, and other clearances. The sales price, no less than the fair market value of the property, must be determined by appraisal.

Current Status:

- The retention of FLTFA-eligible receipts for land acquisition is an important benefit of the FLTFA sales program. Currently, these receipts are providing the BLM a greater amount of land acquisition funding than the Land and Water Conservation Fund.

- Since its enactment in July 2000 through July 2008, the sale and exchange of FLTFA-eligible land had generated over $106 million. In 2008 alone, BLM generated $12.4 million in FLTFA sales. As of October 31, 2008, BLM is working on the sale of 124 parcels with an estimated fair market value of $19.6 million.

- Unless reauthorized by the Congress, the FLTFA will sunset on July 24, 2010.

BUREAU OF LAND MANAGEMENT
SOUTHERN NEVADA PUBLIC LAND MANAGEMENT ACT (SNPLMA)

Key Points:

- **When SNPMLA passed in 1998, lawmakers estimated proceeds generated from land sales under the bill at roughly $70 million per year; however, receipts have been larger than anticipated.**
- **As of November 2008, approximately 35,500 acres of land have been sold or disposed of within the boundary area for over $3.0 billion.**

Background

- SNPLMA provides a process for the orderly sale of certain public lands in Clark County, located in the Las Vegas Valley, to meet the demands for community expansion and economic development, and to use the proceeds from these sales to address critical environmental and educational needs in Clark County and other other areas of Nevada..
- Approximately 74,000 acres of public land are within the disposal boundary area.
- Land sales are conducted by BLM approximately every six months. The last auction was held in June, 2008.
- Under SNPLMA's provisions, 85 percent of the receipts generated from land sales are deposited into a special account; 10 percent are paid to the Southern Nevada Water Authority; and, 5 percent are paid to the State of Nevada General Education Fund.
- The special account is available without further appropriation and is used by various land management agencies within the DOI and the FS for the following categories of projects: creation of parks, trails, and natural areas; capital improvements; conservation initiatives; multi-species habitat conservation plans; acquiring environmentally-sensitive lands; hazardous fuels reduction; landscape restoration projects in eastern Nevada; and restoration projects at Lake Tahoe.
- Through FY 2006, the Secretary approved approximately $2.4 billion in expenditures for the approved categories of projects. In addition, nearly $436 million has been transferred to the Southern Nevada Water Authority and the State of Nevada General Education Fund.
- SNPLMA was amended by H.R. 6111, White Pine Conservation, Recreation, and Development Act (P.L. 109-432, Division C, Title III), to expand the use of the special account for specified projects, acquisitions, and initiatives, and to administratively improve the implementation of SNPLMA.
- The BLM generally holds land sales twice a year and has conducted them for seven years under SNPLMA authority.

Current Status

- The Round 9 funding plan was approved on August 16, 2008. The $140.6 million plan will fund 71 projects across the state.
- On September 2, 2008, BLM opened the project nomination period for Round 10. The nomination period closed October 31.
- The next SNPLMA land sale is scheduled for June 2008 in Las Vegas.
- Collections have declined significantly since 2005 and 2006 when they were $1,163,413,000 and $783,670,000, respectively.

BUREAU OF LAND MANAGEMENT
ABANDONED MINE LANDS

Key Points

- **The Department's Inspector General issued an audit report on BLM's AML program in July 2008 that criticized BLM for not having a complete inventory of AML sites on public lands and also asserted that the program funding level is insufficient.**

- **The Government Accountability Office has also been critical of the Department and the BML when it comes to addressing abandoned mines.**

- **Common themes of auditors are that inventory data is inadequate to ensure that the highest priority sites are being addressed, that efforts thus far have not resulted in significant progress, that more resources are needed, and that the hardrock mining industry should be made responsible for funding cleanup costs.**

Background:

- **Number of AML Sites**: The BLM maintains an inventory of known abandoned mines located on the public lands. Most of the sites are abandoned hardrock mines. There has never been a comprehensive field inventory conducted of all abandoned mines. The BLM and State government agencies conducted targeted surveys at high use areas, and at areas located near population centers during the mid-1990s. All public lands have not been surveyed. Basic information about site locations was subsequently compiled and entered into the BLM's AML inventory system. As of August 31, 2008, the BLM's inventory contains 18,773 sites. According to BLM's inventory data, there are 55,868 features associated with 18,773 sites.

- **Cost to Remediate the AML Sites**: Most of the known sites have not been assessed and it is extremely difficult to estimate how long it would take or what the cost would be to address them because of the wide variation in site complexity, mixed-ownership of affected lands, and the need for environmental engineering analyses called for under statutory and regulatory remediation methods.

- While the BLM does not have a total cost estimate to remediate its entire known inventory, it has developed an estimated range of costs for purposes of reporting environmental disposal liabilities as a part of its financial reports. Based on the BLM's AML Program's Strategic Plan, the BLM would need approximately $130,000,000 to address nearly 3,500 sites, which by no means represents all of the AML work that needs to be done on BLM lands. Of that $130,000,000, approximately 25% will go to mitigate some 3,300 low-cost physical safety hazards sites, and 75% will go to more 200 complex environmental hazards.

- The work currently identified includes a wide variety of cleanup solutions, for example: mitigation with signs and fences, complete closure or removal of physical safety hazards, bat gating, restoration of streambeds, and removal of hazardous materials to repositories. Most of these projects are medium size sites and do not include several special situations, such as the Kelly Mine/Rand Mining District in California. This is a large, potentially high-cost CERCLA site.

- **Prioritizing AML Sites**: The BLM, together with its Federal and State partners, has developed a Cooperative Conservation Based Strategic Plan for its AML program. The plan was released in 2006, and covers projects that were planned to be funded and initiated between Fiscal Years 2007 and 2013. The BLM State Offices list the water quality and physical safety hazard AML sites they selected based on the following risk-based criteria. Annual fund allocations are made on an annual basis as part of the BLM's Annual Work Plan.

Water Quality Criteria	Physical Safety Hazard Criteria
State government priority	Death or injury has occurred
Partnerships	Visitation/high use
Cost avoidance/cost recovery	Accessibility
Impairment of water quality standards	Location
Water quality violations	Cost efficient
Threat to public health and safety	
Threat to the environment	
Continuing/expediting an existing on-the-ground project	
Location	
Cost efficient	

- **July 2008 IG Report**: BLM accepts the OIG recommendations and will work to implement them. However, the BLM does disagree with some of the OIG's perspectives and conclusions.

- BLM disagrees with the OIG's overall conclusion that BLM has an ineffective AML program that has been undermined, neglected, and marginalized by poor management practices and insufficient staffing and resources.

- BLM's concern and commitment to mitigating abandoned mine sites on public lands are demonstrated by the relatively significant amount of funding it has targeted to this activity - - approximately $18 million for BLM annually from multiple funding sources. The most stable funding source for this work is the AML program within BLM's Soil, Water, and Air Management subactivity, which is about $8.5 million.

- At the same time, DOI and BLM recognize that this funding level will not allow us to complete the job in the short-term. The sheer number of AML sites (even the subset of known AML sites) and the complexity of some of the larger sites makes this cost

prohibitive under current budget constraints. (BLM's inventory of known AML sites currently totals 18,773 sites, of which 483 are in California.)

- To deal with the current realities, BLM has developed with its Federal and State partners a Cooperative Conservation Based Strategic Plan for its AML program that aims to maximize the impact of the AML program by prioritizing and selecting sites using criteria designed to achieve the greatest risk avoidance/reduction to public health and safety. The Strategic Plan also emphasizes building partnerships and leveraging funding.

- BLM is confident that the most serious AML sites with potential harm to public health and safety have already been identified and are captured in its inventory. While it is important to continue to validate the existing inventory, characterize all sites, and add additional sites to the inventory, BLM believes the greatest need is on-the-ground work for those high-priority sites already identified.

- In the absence of a new, dedicated source of funding for AML remediation, such as that available for surface coal mine reclamation, I do not anticipate that the pace of AML remediation will be accelerated significantly in the foreseeable future.

DEPARTMENT OF THE INTERIOR
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MINERALS MANAGEMENT SERVICE
BUREAU OVERVIEW
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	158.3	159.5	161.1	161.1	160.4	-0.7
Offsetting Collections	122.7	122.7	123.7	123.7	133.7	10.0
Cost Recoveries	-	-	12.0	13.0	12.0	0.0
Permanent	2,130.0	2,156.8	2,431.5	2,930.3	2,930.3	498.8
Total	2,411.0	2,439.0	2,728.3	3,228.0	3,236.4	508.1
FTE	1,641	1,600	1,600	1,600	1,615	15.0

Bureau Profile:

- The Minerals Management Service was formed by Secretarial Order in 1982 to facilitate the collection of the Nation's mineral leasing revenues and the management of its Outer Continental Shelf (OCS) offshore lands. The MMS manages energy and mineral resources, including alternative energy resources, on the Nation's OCS in an environmentally sound and safe manner. The MMS is also responsible for the timely and accurate collection, distribution, accounting for, and auditing of revenues owed by holders of mineral leases on Federal onshore, offshore, and Indian lands.

- The Federal OCS is a major supplier of oil and natural gas for the domestic market, contributing more to the total U.S. oil and natural gas supply than any single state or country in the world. Currently, MMS administers 7,500 active mineral leases on about 40 million OCS acres. Production from these leases generates billions of dollars in revenue for the Federal Treasury and State governments while supporting thousands of jobs. The MMS oversees production of 14 percent of the natural gas and 27 percent of the oil produced domestically.

- Revenues collected by MMS are one of the largest sources of non-tax revenue to the Federal government. In 2007, MMS disbursed $11.7 billion in mineral revenues to States, to the Office of the Special Trustee for American Indians for distribution to Indian Tribes and individual owners, to other Federal agencies in support of a variety of Federal programs, and to the U.S. Treasury. In addition to Federal and tribal interests, MMS also supports States and local governments through revenue sharing.

- The MMS receives funding for operations from three sources: the Royalty and Offshore Minerals Management (ROMM) appropriation, the Oil Spill Research (OSR) appropriation, and offsetting collections. In addition, MMS operates the Royalty-in-Kind (RIK) Program and the new Coastal Impact Assistance Program (CIAP) with funding provided from within these funding sources.

- MMS operations have been the focus of numerous evaluations and investigations by the Department's Inspector General, the Government Accountability Office, and the Royalty Policy Committee which was created in 2006 by Secretary Kempthorne. The primary area of evaluation is the management of oil and gas royalty collections. The Royalty Policy Committee issued a subcommittee report including 110 recommendations in December 2007. Many of the recommendations from the GAO and the IG are included within the RPC report and MMS is implementing the recommendations. The GAO and the IG continue to conduct evaluations.

- Through the Royalty in Kind Program, MMS receives royalty payments on Federal minerals in the form of oil or natural gas production in amount or "in kind" from the Federal lessee rather than via a cash payment, or "in value" method. MMS then sells that quantity of oil or natural gas competitively on the open market. Through the competitive sales process, the RIK Program increases the return on the American taxpayers' oil and natural gas assets. The RIK Program was the subject of several external reviews that were completed during FY 2008, including an extensive review by the Royalty Policy Subcommittee. The Subcommittee's recommended 31 action items for the RIK Program. As of October 21, 2008, 14 of those 31 recommendations have been successfully completed. MMS has action plans in place to address the remaining recommendations.

- MMS proposed to amend Section 35 of the Minerals Leasing Act to deduct two percent from the States' share of receipts from mineral leasing receipts from public domain lands. This percentage will defray a portion of the administrative costs incurred in the management of onshore leasing activities by the MMS, the Bureau of Land Management, and the U.S. Forest Service. Congress enacted the net receipt sharing provision in the 2008 appropriations bill; the 2009 budget seeks a permanent legislative proposal.

- The MMS is witnessing a surge in exploration activity and development in the ultra-deepwater area of the Gulf of Mexico at water depths between 5,000 feet to about 10,000 feet. Deepwater areas of the Gulf of Mexico account for nearly 17 percent of domestic oil and six percent of domestic natural gas production.

- The Energy Policy Act (EPAct)of 2005 significantly broadened the scope of MMS' mission, with new responsibilities including alternate energy-related uses on the OCS, and the Coastal Impact Assistance program. These programs will provide substantial benefit to the American economy by diversifying the domestic energy portfolio and increasing energy-related revenues.

- In 2007, MMS raised royalty rates from 12.5 percent to 16.67 percent for all new deepwater GOM leases. The MMS recently announced a further increase in the royalty rate, to 18.75 percent for its next Gulf of Mexico lease sale scheduled for March 2008. The rate increase is incorporated into the revenue projections contained in the 2009 MMS budget request.

- The 2007-2012 5-Year OCS Oil & Gas Leasing Program is a major component of the Nation's overall energy strategy. The program has the potential to open up new offshore areas for leasing and development, and expand activities in current planning areas.

- MMS initiated development of a new Five-Year OCS Oil and Gas Leasing Program in 2008 by publishing a Request for Information in the Federal Register. MMS completed the second step of the two-year process by publishing a Draft Proposed Oil and Gas Leasing Program (DPP) on January 21, 2009. The DPP proposes holding lease sales in 12 of 26 planning areas including six areas that have historically been off limits to oil and gas pre-leasing and leasing activities.

- The Gulf of Mexico Energy Security Act (GOMESA), signed into law on December 20, 2006, requires the opening for leasing of 8.3 million acres, including 5.8 million in the Central GOM Planning Area that were previously held under Congressional moratoria and 546 thousand acres in the Eastern GOM Planning Area that were not included in the Proposed 2007-2012 Plan.

Legislative and Legal Issues:

- Amber Resources, et al. v. United States: There are currently 79 active leases on the OCS offshore California. Of the 79 leases, 43 are actively producing almost 70,000 barrels of oil and nearly 130 million cubic feet of natural gas per day. The remaining 36 leases are currently undeveloped. These undeveloped leases have been the subject of multiple lawsuits since 1999. The controlling lawsuit is Amber Resources, et al v. United States, which alleges that the 1990 amendments to the Coastal Zone Management Act resulted in a breach of the lease agreements by imposing new restrictions and regulations. The U.S. Court of Federal claims and the U.S. Court of Appeals for the Federal Circuit agreed with the plaintiffs. MMS was ordered to repay the original bonus bids for the leases, which exceeds $1 billion. Repayment would render other lawsuits moot and extinguish the 36 undeveloped leases. In October 2008, the government filed a request for further consideration of the Court's decision.

- A coalition made up of the Native and environmental interests filed suit in federal district court in Alaska following the February 2008 sale of oil and gas leases in the Chukchi Sea (Alaska). The sale was the first sale of oil and gas leases in the Chukchi Sea since 1991. The plaintiffs allege that MMS and the U.S. Fish and Wildlife Service did not comply with the National Environmental Protection Act and the Endangered Species Act regarding impacts to polar bears, walrus, and other species as well as impacts from seismic surveys and oil spills. This offshore lease sale was the most successful in Alaska's history based on the number of bids received and the number of tracts receiving bids. The sale showed the industry's heightened interest in this area, with 667 bids on 488 blocks - both record-setting numbers-on the Outer Continental Shelf.

- Kerr McGee, an energy development company (since acquired by Anadarko), filed a lawsuit challenging the authority of the Department of the Interior to impose price thresholds limiting royalty relief on deep water Gulf of Mexico leases issued between

1996 and 2000, particularly those issued in 1998 and 1999. On October 30, 2007, the District Court for the Western District of Louisiana upheld Kerr McGee's claim. The Department of Justice appealed in December 2007. The United States Court of Appeals for the Fifth Circuit affirmed the lower court's decision on January 12, 2009. MMS calculates that as of December 31, 2008, companies could be eligible for over $1.8 billion in refunds (of which over $250 million is interest) as a result of the Court of Appeals decision.

- In 1995, the Deep Water Royalty Relief Act (DWRRA) was enacted providing automatic royalty suspension for certain deepwater Gulf of Mexico leases let between 1996 and 2000 to encourage additional and accelerated production. In 1996 and 1997, MMS issued leases subject to the DWRRA provisions with lease addenda language that detailed royalty suspension terms including price thresholds. Leases issued by MMS in 1998 and 1999 subject to the DWRRA royalty suspension provisions were erroneously written without a description of the form and parameters of the intended price thresholds. As the prices for oil and gas exceeded the threshold, MMS invited companies with record title interest in those leases to negotiate terms that would establish price thresholds similar to those in place for leases established in 1996, 1997, and 2000. Six companies (and two subsidiaries) agreed to revise their fiscal terms, which now include the intended price thresholds. The majority of leases and expected production are not covered by these negotiated agreements. The absence of price thresholds on the DWRRA leases issued in 1998 and 1999 has already cost the U.S. Treasury about $1.2 billion in lost royalties through 2007. If the U.S. Federal Court's decision on the Kerr McGee lawsuit holds, MMS will not retain the authority to impose price thresholds and the government may be required to repay royalties paid on all leases established between 1996 and 2000. For all Deep Water Royalty Relief leases from 1996 to 2000, MMS estimates the total potential cost to the government to be $23 billion to $32 billion.

Strategic Plan:

- The MMS's mission primarily supports the Department Strategic Plan Resource Use outcome goal to "manage or influence resource use to enhance public benefit, responsible development, and economic value." The MMS continues to improve services to the American public by listening closely to and working cooperatively with local citizens, tribal leaders, states, other Federal agencies and industry. The following provides a brief summary of the status of management improvements initiated under the Department's Strategic Plan.

    - The MMS remains committed to the integration of budget and performance data for improved resource decision making. The 2009 Budget Request was the second MMS budget to include the full costs for select performance measures The Bureau continues to refine this data and to build upon and strengthen the linkage between cost and performance data.

    - In 2003, the Bureau implemented activity-based costing (ABC). With four years of data, the Bureau now uses cost information in high level analyses to support resource allocation decisions.

- The MMS developed a performance structure to illustrate the hierarchical relationships between cost and performance. This structure and its underlying outputs and outcomes are integrated into the ABC system, which has resulted in a comprehensive architecture that provides management with critical insight into the drivers behind program results. In addition, the ABC system incorporates a full-costing methodology that provides transparency to the overall cost of Bureau core processes as well as its eight GPRA measures, two of which are also DOI Representative Measures, as noted within the FY 2007-2012 DOI Strategic Plan.

- The MMS published its five year workforce plan (2008 –2013), which will serve as a roadmap for integrating human capital initiatives with program goals and objectives.

- To align with and complement the Department of the Interior's (DOI) *Government Performance Results Act (GPRA) Strategic Plan for FYs 2007-2012* and the *E-Government Strategy, 2004-2008*, MMS has two Bureau-level plans: an *IT Strategic Plan for FYs 2000-2007* and a *Five-Year e-Government Plan for FYs 2005 - 2009*. In particular, the *e-Government Plan* utilizes a business process driven approach focusing on strategic goals and objectives that add value to MMS' services, programs, information, and data quality.

Current Issues:

- The MMS is developing an Alternative Energy Program that will focus on the OCS. The program will support leasing and development of emerging energy sources utilizing wind, wave, current, and other technologies.

- The Government Accountability Office and the Department of the Interior's Inspector General have focused numerous evaluations and investigations on MMS activities. These analyses identified weaknesses that raise concerns about the agency's effectiveness in ensuring safe operations and a fair return to taxpayers for extracted resources. Some of the resulting reports have been controversial and the subject of Congressional hearings. The analyses are discussed in a separate briefing paper.

- The Energy Policy Act of 2005 significantly broadened the scope of MMS' mission, with new responsibilities including alternate energy-related uses on the OCS, and the Coastal Impact Assistance program. These programs will provide substantial benefit to the American economy by diversifying the domestic energy portfolio and increasing energy-related revenues.

- The MMS is witnessing a surge in exploration activity and development in the ultra-deepwater area of the Gulf of Mexico at water depths between 5,000 feet and 10,000 feet. Deepwater areas of the Gulf of Mexico account for nearly 17 percent of domestic oil and six percent of domestic natural gas production.

- The Gulf of Mexico Energy Security Act (GOMESA), signed into law on December 20, 2006, requires the opening of 8.3 million acres for leasing, including 5.8 million

in the Central GOM Planning Area, which were previously held under Congressional moratoria, and 546,000 acres in the Eastern GOM Planning Area that were not included in the 2007-2012 Plan.

- The current five-year OCS oil and gas leasing program for 2007-2012 was issued in June 2007. It includes 21 sales in eight of the 26 OCS planning areas – three areas in the Gulf of Mexico, one area in the Mid-Atlantic, and four areas offshore Alaska including one new area – the North Aleutian Basin. MMS estimates the proposed lease sales will lead to production of 10 billion barrels of oil and 45 trillion cubic feet of natural gas over a 40-year period.

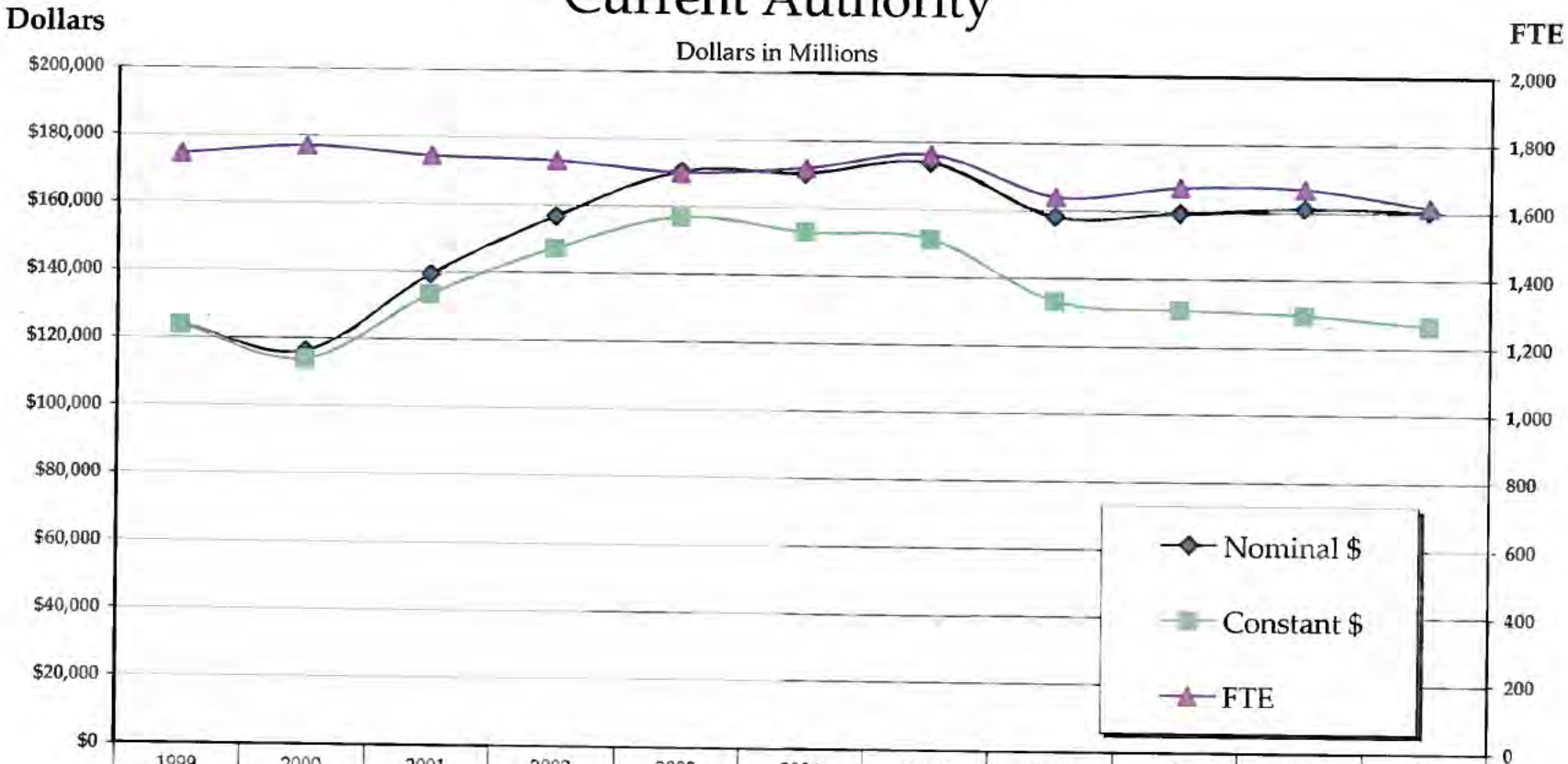
- On July 14, 2008, President Bush lifted the 18-year Executive Withdrawal on oil and gas leasing on the Outer Continental Shelf. Congress did not renew its legislative ban on pre-leasing and leasing activities in the Continuing Resolution that funds government operations through March 6, 2009 (PL 110-329). The moratoria had been in effect since 1982.

- The MMS initiated development of a new 5-Year OCS Oil & Gas Leasing Program in 2008. When the existing 2007-2012 5-Year OCS Oil & Gas Leasing Program was launched in July 2007, oil was selling for $64 a barrel. One year later, the cost of oil had almost doubled, to $120 a barrel, but has since declined to less than $70 per barrel. As directed by the Secretary of the Interior, MMS has taken the initial steps to develop a new five-year program. The process could end with a new program approved in mid-2010.

- Since 2007, MMS raised royalty rates from 12.5 percent to 16.67 percent for all new deepwater GOM leases. The MMS also increased the royalty rate to 18.75 percent for its most recent Gulf of Mexico lease sale. The rate increase is incorporated into the revenue and offsetting collections in the 2009 MMS budget. The GOMESA maintains a moratorium on the GOM a portion of which expires in 2022. The entire moratorium expires in 2022.

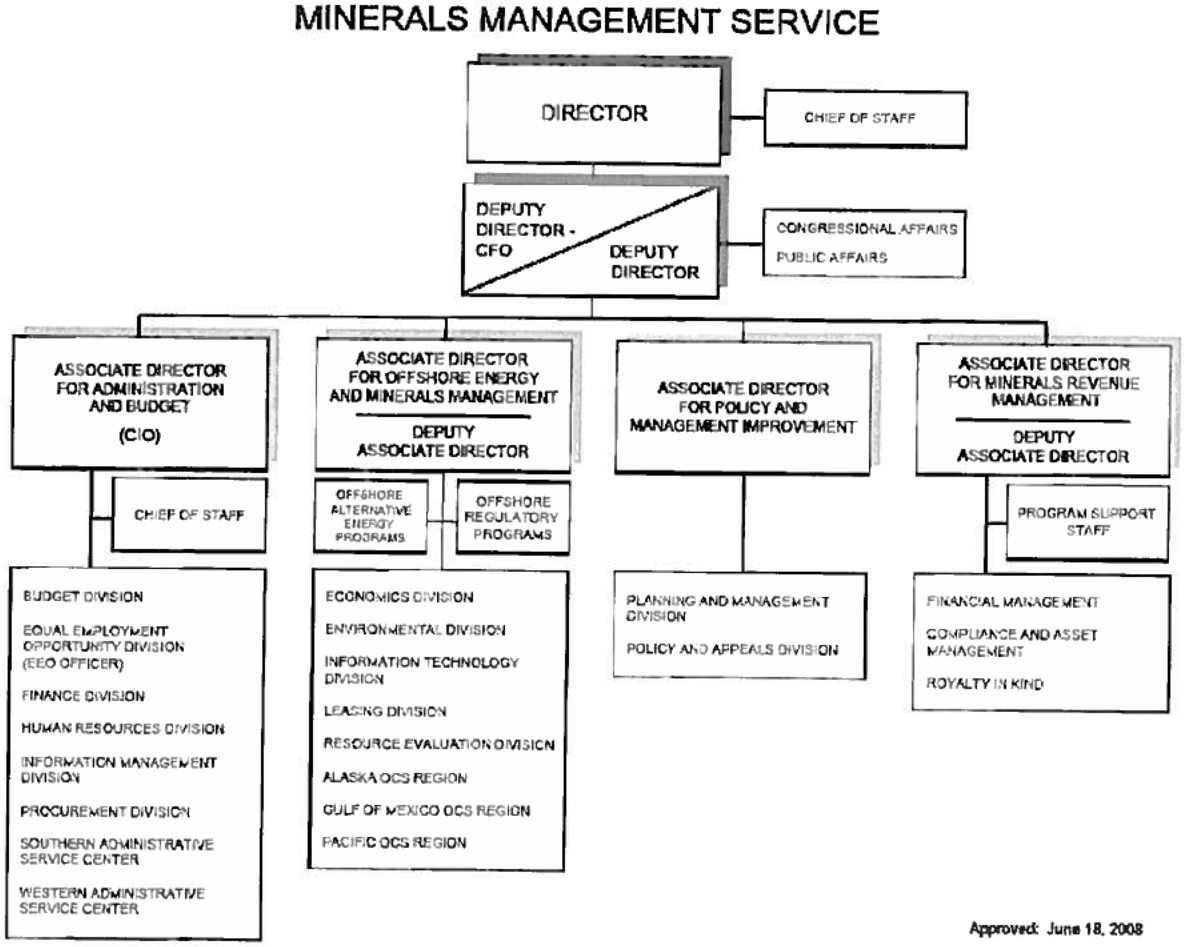
Offshore Royalty Rates (percent)		
Gulf of Mexico		
Leases Issued	**Shallow Water (<400 m)**	**Deep Water (>400 m)**
August 2005 to August 2007	16-2/3	12-1/2
August 2007 to February 2008	16-2/3	16-2/3
After February 2008	18-3/4	18-3/4
Alaska (All Leases)		
2005 to present		12-1/2

Minerals Management Service
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	123,900	116,231	139,221	156,740	170,311	170,296	173,825	158,294	159,515	161,053	160,393
Constant $	123,900	113,930	133,318	147,274	156,853	152,861	151,183	133,264	130,788	129,546	126,462
FTE	1,745	1,771	1,743	1,732	1,701	1,717	1,762	1,641	1,671	1,668	1,615

Organizational Chart

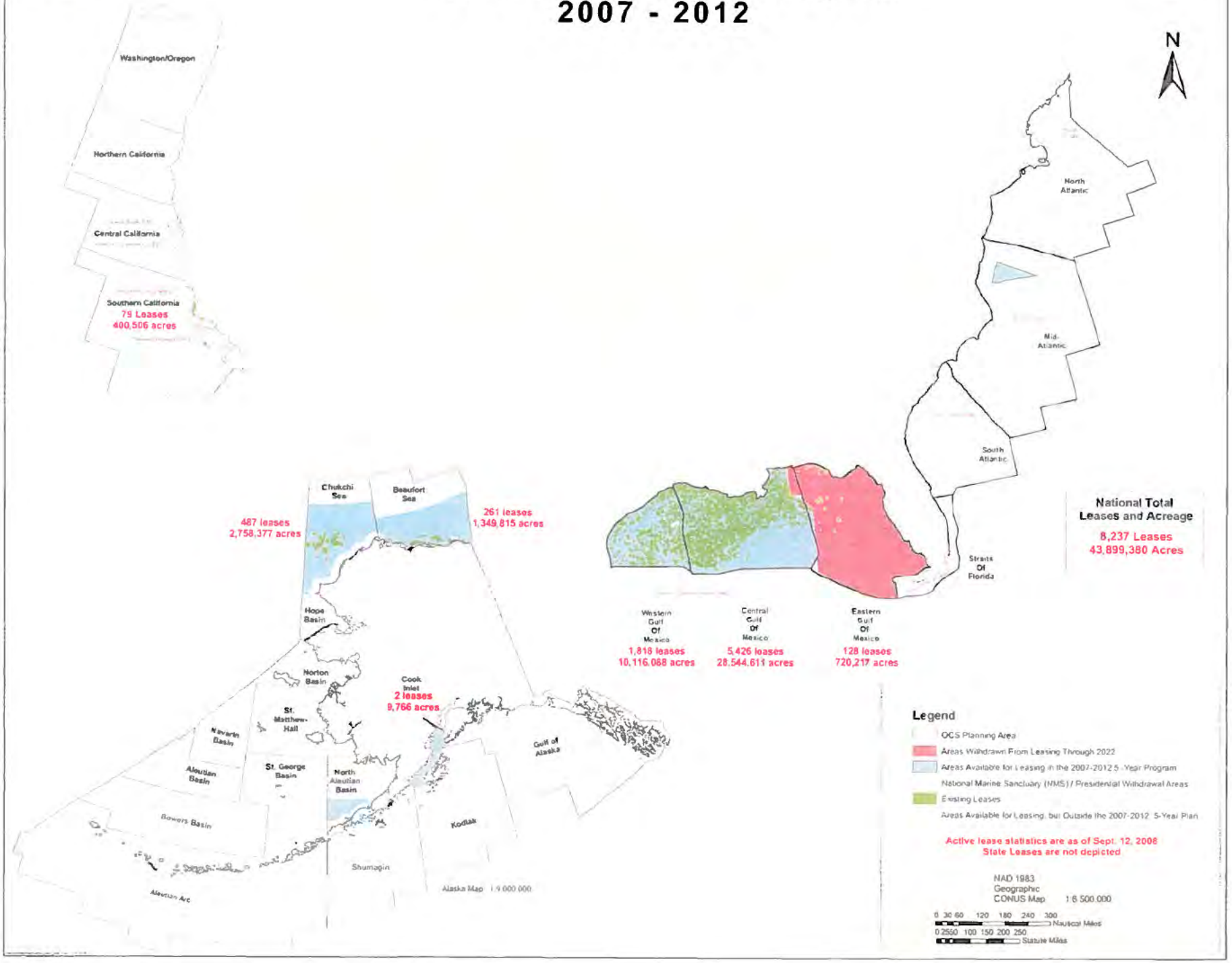


Approved: June 18, 2008

OFFICE LOCATIONS

Washington, DC
Herndon, VA
Offshore Energy and Minerals Management
Alaska OCS Region
Anchorage, AK
Gulf of Mexico OCS Region
Houma, LA
Lafayette, LA
Lake Charles, LA
Lake Jackson, LA
Pacific OCS Region
Camarillo, CA
Minerals Revenue Management
Denver, CO
Farmington, NM
Albuquerque, NM
Tulsa, OK
Oklahoma City, OK
Dallas, TX
Houston, TX

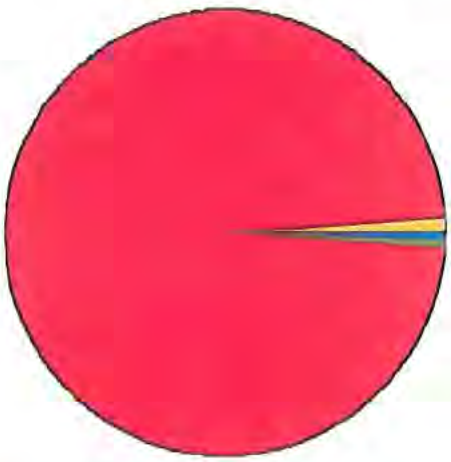
Outer Continental Shelf
Oil & Gas Leasing Program
2007 - 2012



Total Producing and Non-Producing Leases by Mineral Production Type
Fiscal Year 2007

	Leases	Acreage
Coal		
Non-Producing	107	173,640
Producing	239	514,313
Total	**346**	**687,953**
Geothermal		
Non-Producing	395	524,890
Producing	64	68,795
Total	**459**	**593,685**
Oil & Gas		
Non-Producing	37,982	67,055,715
Producing	28,250	24,699,363
Total	**66,232**	**91,755,078**
Other Mineral Production Types		
Non-Producing	265	190,848
Producing	427	437,877
Total	**692**	**628,725**
Total Minerals	**67,729**	**93,665,441**

Total Leases by Mineral Production Type
Fiscal Year 2007



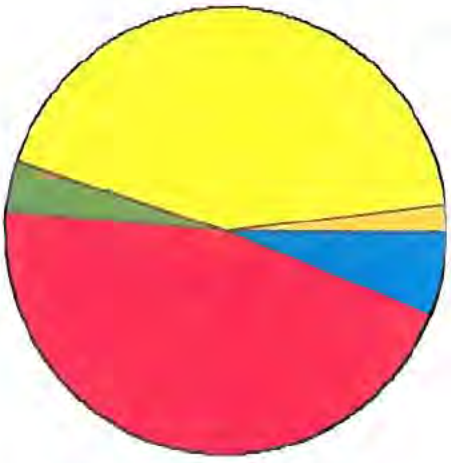
Coal	0.5%
Geothermal	0.7%
Oil & Gas	97.8%
Other Mineral Production Types	1.0%
Total	100.0%

Total may not add up to 100.0% due to rounding.

All Reported Royalty Revenues
Fiscal Year 2007
(Accounting Year)*

	Sales Volume	Sales Value	Royalty/Revenue
Coal (ton)	467,529,067 05	$ 5,783,932,266.64	$ 634,186,369.15
Gas (mcf)	5,733,453,890.24	34,914,571,588.64	4,644,072,933.67
NGL (gal)	3,970,700,719 13	3,741,032,180.14	368,407,138.32
Oil (bbl)	584,741,088.04	34,111,928,064.20	4,401,254,569.74
Other Royalties			203,922,685.50
Subtotal			**$ 10,251,843,696.38**
Non Revenue Volumes	470,463,629.81		
Rents			267,186,000.88
Bonus			902,636,217.76
Other Revenues			6,974,135.02
Subtotal			**$ 1,176,796,353.66**
Total			**$ 11,428,640,050.04**

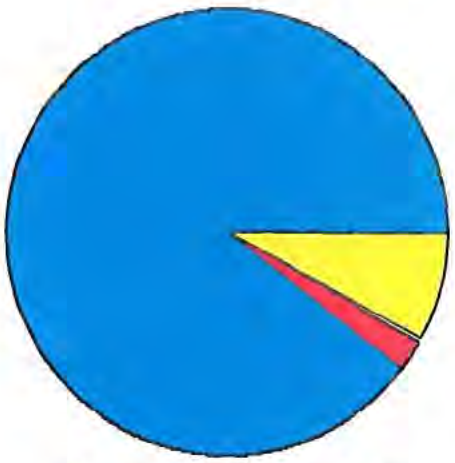
Reported Royalty Revenues by Commodity
Fiscal Year 2007



Coal	6.2%
Gas	45.3%
NGL	3.6%
Oil	42.9%
Other Royalties	2.0%
Total:	100.0%

Total may not add up to 100.0% due to rounding.

Reported Royalty Revenues
Fiscal Year 2007



Bonus	7.9%
Other Revenues	0.1%
Rents	2.3%
Reported Royalties	89.7%
Total:	100.0%

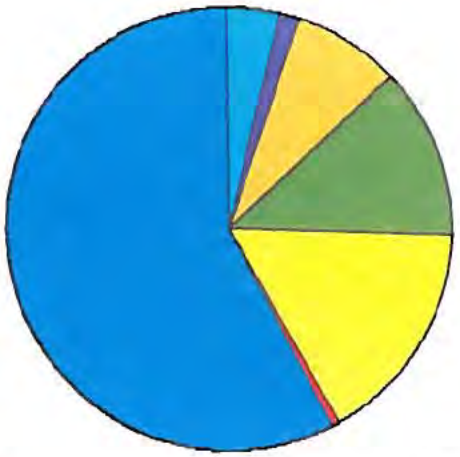
Total may not add up to 100.0% due to rounding.

* For additional information regarding definitions of Accounting Year and Production Year see Explanation of MRM Statistics in side menu.

Total Disbursement [illegible]und & Commodity
Fiscal Year 2007

	American Indian Tribes & Allottees	Historic Preservation Fund	Land & Water Conservation Fund	Reclamation Fund	State Share: Offshore 8(g)	State Share: Onshore	U.S. Treasury	Total
Coal	$ 76,738,232.23	$	$	$ 219,693,580.54	$	$ 275,253,839.11	$ 61,076,600.55	$ 632,762,252.43
Gas	245,248,431.43			681,583,515.23	41,772,305.96	870,201,108.57	2,848,212,184.03	4,687,017,545.22
NGL	9,121,941.17			63,253,288.59	1,319,962.97	79,125,153.50	215,265,323.47	368,085,669.70
Oil	63,364,655.74			243,787,555.26	22,270,133.29	307,365,631.26	3,881,875,554.37	4,518,663,529.92
Other Royalties	52,113,346.69			61,044,826.88	236,489.32	88,888,167.01	21,898,232.22	224,181,062.12
Subtotal	**$ 446,586,607.26**			**$ 1,269,362,766.50**	**$ 65,598,891.54**	**$ 1,620,833,899.45**	**$ 7,028,327,894.64**	**$ 10,430,710,059.39**
Rents	785,420.89			1,723,292.38	637,544.74	24,670,440.06	236,455,541.98	264,272,240.05
Bonus				189,157,506.39	1,287,006.26	245,586,571.48	456,741,965.42	892,773,049.55
Other Revenues	17,626,950.89	150,000,000.00	899,000,000.00	9,680,724.87	128,334.96	13,580,256.33	(1,006,429,983.70)	83,586,283.35
Subtotal	**$ 18,412,371.78**	**$ 150,000,000.00**	**$ 899,000,000.00**	**$ 200,561,523.64**	**$ 2,052,885.96**	**$ 283,837,267.87**	**$ (313,232,476.30)**	**$ 1,240,631,572.95**
Total	**$ 464,998,979.04**	**$ 150,000,000.00**	**$ 899,000,000.00**	**$ 1,469,924,290.14**	**$ 67,651,777.50**	**$ 1,904,671,167.32**	**$ 6,715,095,418.34**	**$ 11,671,341,632.34**

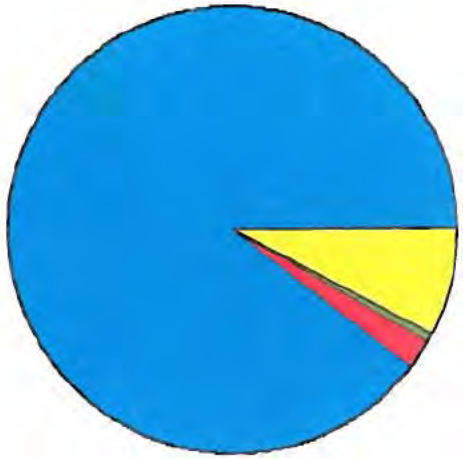
Disbursement by Fund
Fiscal Year 2007



American Indian Tribes & Allottees	4.0%
Historic Preservation Fund	1.3%
Land & Water Conservation Fund	7.7%
Reclamation Fund	12.6%
State Share: Onshore	16.3%
State Share: Offshore 8(g)	0.6%
U.S. Treasury	57.5%
Total:	100.0%

Total may not add up to 100.0% due to rounding.

Disbursement
Fiscal Year 2007



Bonus	7.6%
Other Revenues	0.7%
Rents	2.3%
Reported Royalties	89.4%
Total:	100.0%

Total may not add up to 100.0% due to rounding.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Royalty and Offshore Minerals Management	1,565	154,750	1,575	154,270	+10	-480
Oil Spill Research	18	6,303	18	6,123	0	-180
Subtotal, Direct Appropriations	1,583	161,053	1,593	160,393	+10	-660
Offsetting Collections	0	122,730	0	133,730	0	+11,000
Cost Recoveries	0	13,000	0	13,000	0	0
Subtotal, Appropriations	1,583	296,783	1,593	307,123	+10	+10,340
Permanents and Trusts						
Mineral Leasing and Associated Payments*	0	2,145,584	0	2,644,361	0	+498,777
Leases of Lands Acquired for Flood Control, Navigation, and Allied Purposes	0	3,328	0	3,443	0	+115
National Forests Funds, Payments to States	0	7,779	0	8,019	0	+240
Qualified OCS Revenues to Gulf Producing States	0	0	0	18,941	0	+18,941
National Petroleum Reserve - Alaska	0	15,500	0	5,500	0	-10,000
Geothermal Revenue, County Share	0	9,300	0	0	0	-9,300
Coastal Impact Assistance Program	22	250,000	22	250,000	0	0
Subtotal, Permanents and Trusts	22	2,431,491	22	2,930,264	0	+498,773
TOTAL, MINERALS MGMT SERVICE (*w/o OCSCR*)	1,605	2,592,544	1,615	3,090,657	+10	+498,113
TOTAL, MINERALS MGMT SERVICE (*w/ OCSCR*)	1,605	2,728,274	1,615	3,237,387	+10	+509,113

* *Includes royalty payments to Oklahoma.*

MINERALS MANAGEMENT SERVICE
BUDGET OVERVIEW
(dollars in millions)

Budget Trends:

- Since 2005, MMS responsibilities have increased in scope and complexity, primarily as a result of legislative action (GOMESA, EPAct). MMS has received modest, targeted increases such as those funding alternative energy activities.

- The MMS appropriation decreased by 8 percent since 2005 in nominal dollars. In constant dollars, this represents a decrease of 16 percent. Staffing measured in FTE has declined by 8 percent. This is offset by increases in offsetting collections that have increased more than 40 percent in nominal dollars.

- The 2009 MMS budget request is $307.1 million, including $160.4 million in current appropriations and $146.7 million in offsetting collections and cost recovery. Current appropriations are reduced by $660,000 below 2008.

- The 2009 budget also separates cost recoveries from rental fee offsetting collections and limits the safety clause on cost recovery fees, so that if MMS does not collect the planned amount in cost recovery fees, funding will be reduced. (A separate briefing paper is provided on this issue.)

- The 2009 President's Budget assumes the enactment of two legislative proposals:
  - A net receipt sharing proposal which deducts two percent from the States' share of mineral leasing receipts from public domain land to defray a portion of the administrative costs incurred in the management of onshore leasing activities, to be deposited into the Federal Treasury.
  - A proposal to repeal Sections 344 and 345 of the Energy Policy Act of 2005, which provide additional royalty relief for deep gas and deep water oil and gas production that is unwarranted in today's price environment.

Offshore Minerals Management

- The goal of the Outer Continental Shelf program is to provide for safe and environmentally sound energy and mineral development on the OCS and to ensure that the public receives fair market value for these resources. To carry out this goal, MMS activities include administration of OCS leases; review of new exploration and development plans; examination of pipeline right-of-way applications; environmental assessments; and annual on-site safety inspections of mineral extraction operations.

- In 2009, The MMS requests $164.0 million in 2009 for Offshore Minerals management OCS program activities, $2.7 million above 2008. Changes from 2008 include:

- The FY 2009 President's request includes an increase of $8.5 million for the 2007-2012 Five-Year Outer Continental Shelf Oil and Gas Leasing Program, which took effect July 1, 2007. Funding will be invested in environmental studies, environmental

analysis, resource assessment, and leasing consultation, some in offshore areas where no concerted oil-and-gas-related data gathering has occurred in over 15 years.

- Included in those frontier areas are the Beaufort Sea, Chukchi Sea, Cook Inlet and the North Aleutian Basin in Alaska.

- In addition, the Gulf of Mexico Energy Security Act, signed into law in 2006, requires oil and gas leasing in the Central, Eastern, and Southern Gulf of Mexico. These expanded areas require new resources for presale, environmental analysis and review, and other activities.

- The MMS also requested an increase of $1.1 million for the acquisition and maintenance of geoscientific interpretive tools. Fulfilling these technological needs will allow MMS to keep pace with industry as it reviews and analyzes industry applications, plans, and requests; makes fair market value determinations on new leases; conducts analyses for royalty relief; and develops reserve and resource estimates.

- An increase of $1.0 million is requested to allow MMS to implement its alternative energy responsibilities outlined in the Energy Policy Act by funding environmental work and permitting of alternative energy projects. The 2009 total budget for MMS alternative energy is $6.7 million. MMS has received 43 nominations for offshore alternative energy resource assessment technology testing activities on the OCS.

Minerals Revenue Management

- The goal of the Minerals Revenue Management program is to ensure that revenue from Federal and Indian mineral leases are effectively, efficiently, and accurately collected, accounted for, and disbursed to recipients. These revenues, which have historically averaged over $6.5 billion per year, are distributed and disbursed to 38 States, 41 Indian Tribes, more than 25,000 American Indian mineral royalty owners, and to U.S. Treasury accounts.

- In the 2009 budget request, the total MRM program is funded at $86.0 million, an increase of $4.3 million above 2008.

- An increase of $2.0 million is requested for MMS to improve its compliance and audit program through the implementation of recommendations from the Office of the Inspector General (OIG). Changes to the program will be guided by the *Minerals Management Service Action Plan to Strengthen MMS Compliance Program Operations*. This Plan was prepared in response to the OIG's report. Of the amount requested, $1.5 million will be used to develop a risk-based compliance tool. Instead of focusing mainly on properties with the highest royalty dollars, which is its traditional approach, MMS will select properties for compliance reviews by considering additional risk factors such as chronic erroneous reporting and the possibility of fraudulent reporting.

Oil Spill Research

- MMS requests $6.1 million in 2009, a $180,000 decrease from the 2007 enacted level. This decrease is the result of management efficiencies at the National Oil Response Test Facility.

Repeal of Deep Gas and Deep Water Royalty Incentives

- The 2009 budget proposes to repeal Section 344 of the Energy Policy Act of 2005, which extended existing deep gas incentives in two ways. First, it mandated an increase in the royalty suspension volumes from 25 to 35 billion cubic feet of natural gas in a third drilling depth category (greater than 20,000 feet subsea). Second, it directed that incentives for all three drilling depth categories also be applied to leases in 200-400 meters of water.

- The 2009 budget also proposes to repeal Section 345 of the Energy Policy Act, which provided additional mandatory royalty relief for certain deep water oil and gas production. Additional royalty relief for oil and gas exploration is unwarranted in today's price environment.

MINERALS MANAGEMENT SERVICE
5-YEAR OUTER CONTINENTAL SHELF (OCS) OIL AND GAS LEASING PROGRAM

Key Points:

- **On July 14, 2008, President Bush lifted the 18-year Executive Withdrawal on oil and gas leasing on the OCS. Congress did not renew its legislative ban on pre-leasing and leasing activities in the Continuing Resolution that funds government operations through March 6, 2009 (P.L. 110-329). The Congressional moratoria had been in effect since 1982.**

- **<u>New 5-Year OCS Oil and Gas Leasing Program 2010-2015:</u> In light of the current energy situation and the removal of restrictions on leasing activities, Secretary Kempthorne directed MMS to begin the initial steps for developing a new five-year OCS oil and gas leasing program. The current five-year program does not contain many of the areas that were under Executive Withdrawal or Congressional Moratoria.**

- **MMS initiated development of a new Five-Year OCS Oil and Gas Leasing Program in 2008 by publishing a Request for Information in the Federal Register. MMS completed the second step of the two-year process by publishing a Draft Proposed Oil and Gas Leasing Program (DPP) on January 21, 2009. MMS developed the DPP after considering more than 150,000 comments received in response to the Request for Information.**

- **The DPP proposes 31 OCS lease sales in all or some portion of 12 of the 26 planning areas, including six planning areas that were under Executive Wthdrawal and/or Congressional moratoria. These six planning areas include 3 on the Atlantic seaboard, the eastern Gulf of Mexico, and portions of 2 planning areas off the coast of California.**

- **MMS estimates about 17.84 billion barrels of oil and 76.47 trillion cubic feet of natural gas to be technically recoverable in the areas that were previously under withdrawal and/or moratoria.**

- **The DPP is available for public comment for 60 days following publication and MMS is seeking comments on all aspects of the new program including economic, energy development, and environmental issues. Based on public comments and other available information, MMS will develop a second DPP.**

- **<u>Current 5-Year OCS Oil and Gas Leasing Program 2007-2012:</u> Interior Secretary Kempthorne approved the Minerals Management Service's current 5-year program on June 29, 2007. The program schedules 21 lease sales in eight planning areas. MMS estimates that the program could lead to production of 10 billion barrels of oil and 45 trillion cubic feet of natural gas over 40 years, generating almost $170 billion, in 2008 dollars, in net benefits for the nation.**

- **The 2007-2012 leasing program establishes a schedule for lease sales. The program indicates lease sales will be held for areas within the Central and Western Gulf of Mexico and in the Alaska region in each year considered by the 2007-2012 program. Notably, the program includes a single lease sale in 2011 for an area in the Mid-Atlantic region (offshore of Virginia).**

Background:

- The OCS Lands Act, as amended in 1978, requires the Secretary to prepare and maintain a 5-year OCS oil and gas leasing program to establish the size, timing, and location of OCS leasing over a 5-year time frame. The intensive planning process is designed to consider the laws and policies of affected coastal states and balance multiple objectives among geographic areas in terms of hydrocarbon potential, environmental sensitivity, and other factors. The attached slide displays the development process graphically.

- The development process includes three separate public comment periods, two separate draft proposals, development of an environmental impact statement, and the final proposal. The final plan will set up the schedule of OCS lease sales (scaled-bid auctions) for a five year period. There is also an annual review process applied during years when a 5-year program is in place and a new one is not yet under development.

- The OCS generally extends from 3 to at least 200 miles offshore and covers an area of about 1.76 billion acres. There are existing leases in the Gulf of Mexico, offshore southern California, and in the Beaufort Sea and Cook Inlet, Alaska, with production in all those areas but Cook Inlet. The attached map displays the OCS.

- Until September 2008, the Atlantic and Pacific OCS areas were subject to long-running annual congressional moratoria and were withdrawn from leasing through June 30, 2012, under section 12 of the OCS Lands Act.

- The Gulf of Mexico Energy Security Act of 2006 (GOMESA) discontinued the congressional moratorium on an area in the reconfigured Eastern Planning Area called the 181 Area and in the reconfigured Central Planning Area called the 181 South Area. The Act established a new moratorium extending until 2022 on all of the Eastern Planning Area within 125 miles of Florida or east of the military mission line.

- On January 9, 2007, the President modified the 1998 Executive Withdrawal to allow leasing consideration in the "181 South Area" in the Central Gulf of Mexico and the North Aleutian Basin, Alaska.

- Current 5-Year OCS Oil and Gas Leasing Program 2007-2012: MMS initiated the multi-step process required to prepare the current 5-year program for 2007-2012 with a Request for Information on the entire OCS published in the Federal Register on August 24, 2005. The MMS received more than 11,000 comments in response to the request from Federal, State, and local governments, including Alaska natives;

environmental and other interest groups; energy and non-energy companies and associations; and members of the public. Approximately 80 percent favored some expansion of access to areas on the OCS for leasing consideration.

- On February 8, 2006, the Secretary issued the Draft Proposed Program for public comment, the second of five steps in preparing a new program. The Draft proposed a schedule of 21 sales in 7 areas: Central and Western Gulf of Mexico; off the Atlantic coast of Virginia; and Beaufort Sea, Chukchi Sea, Cook Inlet, and North Aleutian Basin, Alaska. Several of the planning area boundaries were moved under the proposal, using the administrative lines announced in January 2006 by the Secretary. The administrative line between the Central and Eastern Gulf of Mexico planning areas is now farther to the east and south; therefore some of the former Eastern Gulf area is now in the Central Gulf. MMS received almost 40,000 comments, with all but about 300 from members of the public in all 50 States. Almost 70 percent of the public respondents were in favor of the expanded program and many of those requested that there be even more expansion of areas for leasing consideration.

- On August 25, 2006, MMS issued the Proposed Program and accompanying draft Environmental Impact Statement with 90-day comment periods. This proposal contained the same 21 sales with some area reductions in 3 program areas—the North Aleutian Basin and Chukchi Sea, Alaska, and the Mid-Atlantic off Virginia. Over 73,000 comments were received on the program proposal with approximately 75 percent of the public in favor of expanded access. Another 9,000 comments were received on the draft EIS.

- The Proposed Final Program announced April 30, 2007, includes 21 sales in 8 areas. One sale was added in the Eastern Gulf as mandated by the GOMESA and one sale was deleted in the North Aleutian Basin with the remaining sale delayed a year to allow more time to conduct environmental studies and reviews in consultation and coordination with the State and local and tribal entities. The area in the Mid-Atlantic off the coast of Virginia was further reduced as requested by the State.

- Interior Secretary Kempthorne approved the Minerals Management Service's 2007-2012 Outer Continental Shelf Oil and Gas Leasing Program on June 29, 2007. The program areas under consideration for leasing during the 2007-2012 period and the areas withdrawn from leasing are shown in the attached maps.

- <u>New 5-Year OCS Oil and Gas Leasing Program:</u> In light of the current energy situation and the removal of restrictions on leasing activities, MMS began the initial steps for developing a new five-year OCS oil and gas leasing program in 2008. The MMS estimates about 17.84 billion barrels of oil and 76.47 trillion cubic feet of natural gas to be technically recoverable in the areas that had been under Executive Withdrawal or Congressional moratoria. The estimates are very conservative as little exploration has been conducted in most of those areas during the past 20-30 years. The estimates are based on the available data. In the past, the numbers tend to increase dramatically as technology improves and exploration activities occur.

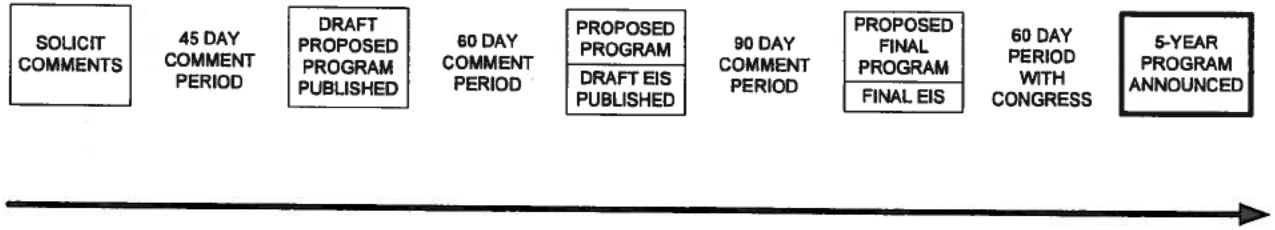
- MMS initiated the multi-step process required to prepare the new 5-year program. MMS completed the first step in the process by publishing a Request for Information on the entire OCS in August 2008. The second step, publishing the Draft Proposed Program, was completed on January 21, 2009. The development process, which requires approximately two years to complete, culminates in a decision by the Secretary of the Interior on a new 5-year program.

- Once the new 5-year oil and gas leasing program is complete, it will take 5 – 10 years for production actually occur. Some areas could move a little faster, while others would take longer. The time required to produce oil and gas depends on the specific area, existing infrastructure, and other complex factors.

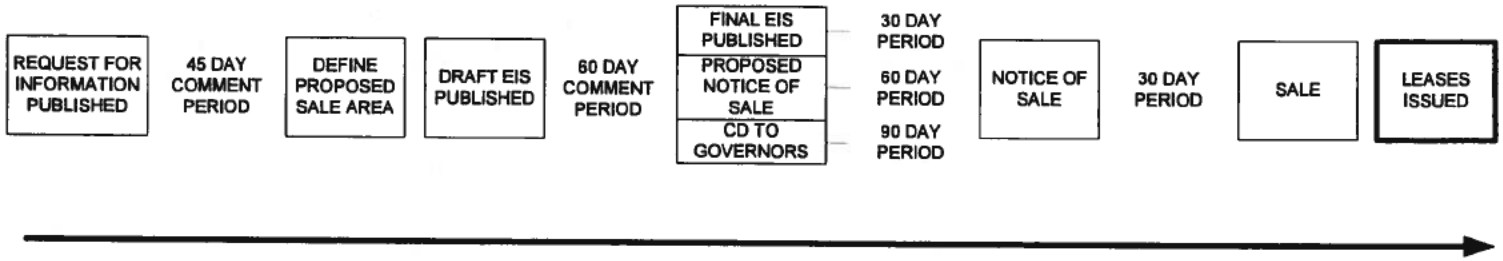
- This action provides the new Administration with options it would not have otherwise had until at least 2010. Initiation of a new planning effort provides a 2-year head start for the new administration on developing a new program.

The OCS Leasing Process

DEVELOP 5-YEAR PROGRAM

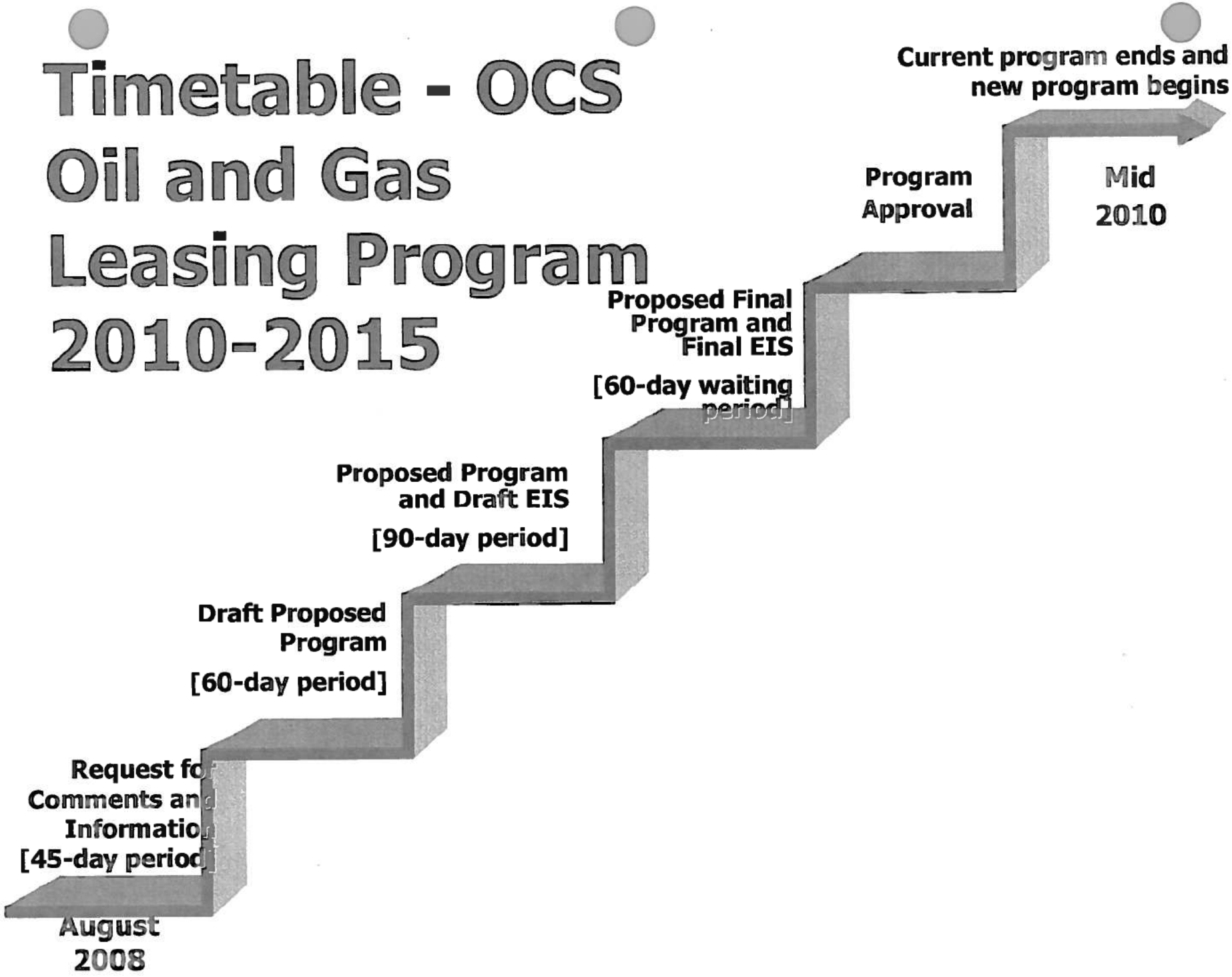


PLANNING FOR SPECIFIC SALE



Abbreviations: CD, Consistency Determination; EIS, Environmental Impact Statement

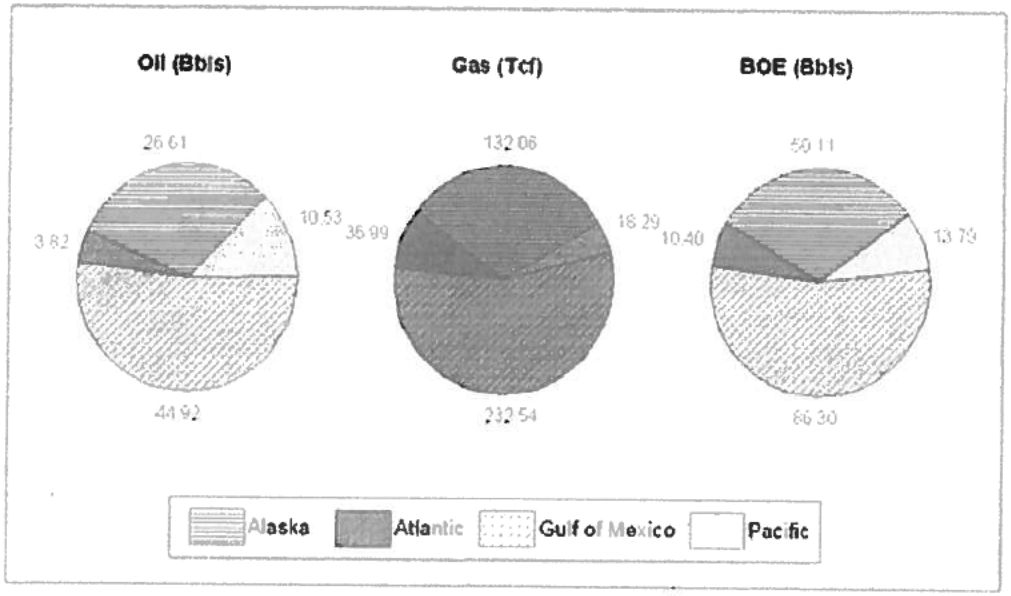
Timetable - OCS Oil and Gas Leasing Program 2010-2015



MINERALS MANAGEMENT SERVICE
OUTER CONTINENTAL SHELF OIL AND GAS ASSESSMENT 2006

Key Points:

- **The MMS has completed an assessment of the undiscovered technically recoverable resources (UTRR) underlying offshore waters on the Outer Continental Shelf (OCS).**
- **The MMS estimates that the quantity of undiscovered technically recoverable resources ranges from 66.6 to 115.3 billion barrels of oil and 326.4 to 565.9 trillion cubic feet of natural gas.**
- **The mean estimate is 85.9 billion barrels of oil and 419.9 trillion cubic feet of natural gas.**
- **This assessment was based on information available as of January 1, 2003, including information obtained from new exploration activities.**



Background:

- MMS periodically conducts comprehensive assessments of the undiscovered oil and gas resources on the OCS. The last comprehensive inventory was completed in 2001, with an interim update in 2003 to reflect significant changes in natural gas potential in the Gulf of Mexico.

- The resource assessments also include production and reserve estimates for the OCS as well as estimates of undiscovered economically recoverable resources.

- Undiscovered economically recoverable resources (UERR), presented in the form of price-supply curves, represent the portion of the undiscovered technically recoverable hydrocarbons that can be explored, developed and commercially produced at given costs and price considerations.

- These estimates represent the potential quantities of undiscovered hydrocarbons that can be conventionally produced using existing or reasonably foreseeable technology, without any consideration of economic feasibility. Current technology includes drilling in water in excess of 3000 meters (10,000 feet) deep and to subsea depths in excess of 9600 meters (31,700 feet).

- These volumes of UTRR for the OCS represent about 60 percent of the total oil and 40 percent of the total natural gas estimated to be contained in undiscovered fields in the United States.

- The mean estimates for both oil and gas increased about 15 percent compared to the 2001 assessment. For the oil resources, the vast majority of this increase occurred in the deepwater areas of the Gulf of Mexico, while for gas resources the majority of the increase was in deep gas plays located beneath the shallow water shelf of the Gulf of Mexico.

Minerals Management Service
Audits and Compliance Review
(dollars in millions)

	2001	2002	2003	2004	2005	2006	2007	Enacted 2008	2009	Change
Compliance & Asset Mgmt	48.1	51.3	48.5	45.9	41.6	42.7	43	45	47.3	2.3
FTE	389	389	377	377	377	379	357	361	365	

Key Points:

- **The President's 2009 budget request includes $47.3 million for the Compliance and Asset Management program, $2.3 million above the 2008 enacted level. This includes a $2.0 million increase for MMS to address recommendations by the Office of Inspector General (OIG) Report.**

- **Instead of the traditional approach of focusing mainly on properties with the highest royalty dollars, MMS will use $1.5 million of the requested amount to augment this process by selecting properties for compliance reviews while considering additional risk factors such as chronic erroneous reporting and the possibility of fraudulent reporting. The remaining funds will be used to increase the audit staff by four additional FTE's.**

- **These improvement actions are being undertaken as part of MMS's *"Action Plan to Strengthen Minerals Management Service Compliance Program Operations,"* in response to the final Office of Inspector General Report dated December 5, 2006.**

Background:

- The MMS is entrusted with an important fiduciary role by and for all Americans. Through the Mineral Revenue Management's Compliance and Asset Management program, the MMS's role is to ensure that the Government is realizing fair market value for the public, and to ensure that companies are in compliance with applicable laws, regulations, and lease terms, whether royalties are received in-kind or in-value.

- The MMS uses a risk-based approach for allocating resources to achieve performance measures. The operational strategy addresses risk and captures process and cost efficiencies through full integration of Federal and Indian operations.

- In the late 1990's MMS began reengineering its royalty verification processes and established a compliance review process. A compliance review is less intensive than an audit and is designed to determine the reasonableness of reported royalties without obtaining detailed source documentation or conducting site visits.

    - Compliance reviews are conducted on a broad universe of properties, and are similar to the process the IRS uses to flag returns appropriate for an audit. Compliance reviews are designed to determine if the royalties received are

in reasonable compliance with the laws, lease terms, and regulations. Depending on the results of the reviews, specific properties may receive more focus. MMS uses stringent tests to identify royalty payments that justify an audit.

- Audits are performed by MMS and its State and Tribal audit partners on selected RIV properties. Audits are not generally required for RIK properties, due to certainty provided by contract. Audits are performed on specifically targeted companies or properties, many times resulting from a compliance review. The MMS also randomly selects companies targeted for audit. Audits can also include gas plants, transportation systems, and issue-based audits. All audits are performed in accordance with Generally Accepted Government Auditing Standards.

- MMS has tightened its audit and compliance cycle from a five-year-cycle to a three-year-cycle. In FY 2007, MMS reviewed and/or audited 65 percent of all Federal and Indian royalty revenues within three years from the date of receipt of payment.

- The CAM program has 125 auditors trained and qualified to do both compliance reviews and yellow book audits. In addition, there are 31 MMS managers/administrative personnel.

- An additional 92 mineral revenue specialists/analysts/accountants have the same continuing education training and requirements and generally perform compliance reviews.

- An additional 100 State and tribal auditors (not MMS FTE) perform the cooperative and delegated audits through the 202/205 program.

- Annual financial audits by a different independent auditor consistently find that royalties are accurately reported.

New Compliance Strategy

- In early 2006, MMS began pursuing the development of a risk-based strategy for compliance. This strategy will provide the detail to identify properties or companies where audits or compliance reviews are warranted.

- In 2008, MMS is completing implementation of a pilot to further develop and implement a risk-based strategy for compliance. Based on the results of the pilot, MMS will implement the strategy in 2009 using interim targeting tools. MMS plans to fully implement this initiative by 2010.

- During 2008, MMS is developing a new three-year compliance coverage measure, based on the new risk-based compliance strategy related to royalties, properties, companies, and other factors, including the OIG's recommendations.

MINERALS MANAGEMENT SERVICE
OFFICE OF INSPECTOR GENERAL REPORTS ON THE ROYALTY IN KIND PROGRAM

Key Points:

- **Between 2006 and 2008, the Department's Office of the Inspector General (IG) completed three reports focusing on the conduct and management of the MMS royalty management programs. The most recent report was released in September 2008. The IG identified legal, ethical, and managerial problems essentially directed toward a small number of MMS employees in the agency's royalty management programs. The IG states in his reports, "99.9 percent of DOI employees are hard-working, ethical and well-intentioned."**

- **The IG has established the Royalty Initiatives Group in Denver, CO to provide continuing oversight and improvements of the MMS royalty programs.**

- **Departmental leadership took immediate action following the release of the IG final reports. Within hours of receiving the IG's reports, the Department initiated procedures to determine appropriate disciplinary action.**

Background:

- The first report focused on three employees in the Minerals Revenue Management (MRM) Division of MMS who were found to have circumvented the laws regarding conflicts of interest, post-employment restrictions, and Federal acquisition requirements. All three of these 20-year employees have left government service; two have pled guilty to charges brought by the Department of Justice as a result of this investigation and await sentencing.

- The second report focused on the inappropriate behavior of one employee, the head of the MMS's Royalty-in-Kind (RIK) Program. This employee left government service prior to completion of the IG's investigation. The Department of Justice declined to pursue criminal charges.

- The third report focuses on the improprieties of some employees in the RIK Program between January 2002 and July 2006. Within hours of being informed by the IG of specific names and preliminary findings in December 2006, the Department transferred a number of these employees out of the RIK Program.

- The Inspector General recommended four actions. The Department is implementing all four actions including initiation of appropriate administrative corrective actions, enhancement of ethics programs and oversight capacity, development of a code of conduct, and implementation of organizational changes.

- The Department expanded its Ethics Office by placing an Attorney-Adviser in Denver, Colorado where the MMS royalty programs are based.

MINERALS MANAGEMENT SERVICE
ROYALTY POLICY COMMITTEE REPORT

Key Points:

- **The Royalty Policy Committee is chartered to provide advice to the Secretary of the Interior on managing Federal and Indian mineral leases and revenues.**

- **On December 17, 2007 the Royalty Policy Subcommittee on Royalty Management issued a report entitled, *Mineral Revenue Collection from Federal and Indian Lands and the Outer Continental Shelf.***

- **The Committee issued a report recommending 110 actions be taken to ensure accountability and a fair return to the American public for minerals extracted from the Outer Continental Shelf.**

- **Of the 110 recommendations included in the report, 22 have been completed and MMS is taking action to address the remainder.**

Background:

- The Royalty Policy Committee is chartered to provide advice to the Secretary of the Interior on managing Federal and Indian mineral leases and revenues. The committee provides advice on royalty management issues and other mineral-related policies to the Secretary of the Interior. It also provides a sounding board to convey views representative of mineral lessees, operators, revenue payors, recipients, government agencies and the interested public. Members are appointed by the Secretary of the Interior. The Royalty Policy Committee, a FACA-chartered committee co-chaired by former Senators Bob Kerry and Jake Garn.

- In response to interest regarding the accuracy and effectiveness of the MMS's royalty management program, the Assistant Secretary for Land and Minerals Management and the MMS Director requested that the RPC establish an independent panel to review the procedures and processes surrounding management of mineral revenue. The new panel operated as a subcommittee under the auspices of the RPC, since the RPC members represent the views of mineral lessees, operators, revenue payors, states and tribes, government agencies, and the interested public.

    - The Subcommittee on Royalty Management was asked to review:
        - The extent to which existing procedures and processes for reporting and accounting for federal and Indian mineral revenues are sufficient to ensure that the Minerals Management Service receives the correct amount.

        - The audit, compliance and enforcement procedures and processes of the Minerals Management Service to determine if they are adequate to ensure that mineral companies are complying with existing statutes, lease terms, and regulations as they pertain to payment of royalties.

- The operations of the Royalty in Kind program to ensure that adequate policies, procedures and controls are in place to ensure that decisions to take federal oil and gas royalties in kind result in net benefits to the American people.

- Subsequently, in September 2007, the Assistant Secretary for Land and Minerals Management asked the Subcommittee to review procedures promulgated by the Department in response to the lack of price thresholds in Gulf of Mexico leases from 1998 and 1999 sales.

- A joint action plan to implement the recommendations is under development. The plan identifies, by recommendation, the responsible Bureau, purpose, the target date for completion, the status, and pertinent implementation comments. Many of the recommendations require coordination with multiple Department of Interior agencies including MMS, the Bureau of Land Management, the Bureau of Indian Affairs, and the DOI Solicitor's Office.

Minerals Management Service
Alternate Energy-Related Uses on the Outer Continental Shelf

Key Points:

- **The Energy Policy Act of 2005 (EPAct) grants the Department of the Interior (DOI)/Minerals Management Service (MMS) new responsibilities over Federal offshore alternate energy and related uses of America's offshore public lands, also known as the Outer Continental Shelf (OCS).**

- **These alternative energy alternate use (AEAU) projects include wind, wave, current, solar energy, hydrogen generation, and projects that make alternative use of existing oil and natural gas platforms in Federal waters.**

- **The MMS is using the Federal rule making process to develop a new Alternative Energy and Alternate Use Program for the OCS. The MMS announced its intent to establish an OCS alternative energy leasing program when it published a proposed rule on July 9, 2008.**

- **The EPAct also gave the Secretary responsibility for two existing offshore alternative energy projects, the Cape Wind Project (Massachusetts) and the Long Island Offshore Wind Park (New York). The MMS is reviewing each project's application and supporting information and is preparing environmental evaluations as required by law. There is an issue regarding jurisdiction with the Federal Energy Regulatory Commission.**

Background:

- The Federal Energy Regulatory Commission (FERC) disputes the MMS's role as the lead agency concerning offshore energy projects, specifically wave and current projects, based on the FERC's authority to regulate hydropower projects under the Federal Powers Act.

- The FERC submitted comments to the MMS's proposed rule on alternative energy and alternate use of the outer continental shelf ("OCS") recommending that MMS remove wave and ocean current energy from the proposed rule. Specifically, FERC recommends that MMS not issue any rule applicable to wave and ocean current projects that would interfere with FERC's regulatory responsibilities under the Federal Power Act or frustrate orderly development of hydropower projects on the OCS.

- The MMS filed protests in three FERC preliminary permit proceedings that involved proposed wave energy projects on the Outer Continental Shelf. MMS emphasized its belief that Congress, pursuant to Section 388 of EPAct, intended for the Department to be the lead federal agency for regulating alternative energy project activities on the OCS.

- Since MMS filed its last protest in March 2008, the Department and FERC have begun developing an interagency Memorandum of Agreement that resolves the regulatory concerns associated with OCS wave and ocean current project activities and encourages responsible alternative energy project development on the Nation's OCS.

- As part of its alternative energy program development process, MMS prepared a programmatic EIS that examined the potential impacts of alternative energy and alternate use activities that could result from implementation of the new authority under the EPAct to issue leases, easements, and rights-of-way from initial site characterization through decommissioning.

- The programmatic nature of the EIS requires that the examination of environmental consequences and potential mitigation measures be conducted at a broader scale than would be appropriate for site-specific projects. Therefore, additional environmental review pursuant to the National Environmental Policy Act will be required for all future site-specific projects on the OCS.

- These future project reviews will tier on this EIS and the related Record of Decision. The programmatic EIS focuses on generic impacts from each industry sector based on global knowledge and identifies key issues that site-specific analyses should consider.

- Projections for industry activities are limited to those anticipated to be pursued within the next five to seven years.

Existing Offshore Alternative Energy Projects:

- Cape Wind Energy Project: Cape Wind Associates (CWA) has proposed to construct an offshore wind park located on Horseshoe Shoal in Nantucket Sound, Massachusetts, 4.7 miles offshore. The purpose of the project is to provide a utility-scale renewable energy facility project providing electricity to the New England Power grid. The proposed wind park will consist of 130 offshore wind turbine generators arranged to maximize the park's maximum potential electric output of approximately 468 megawatts. The MMS is preparing an EIS covering those issues relevant to the mandates outlined in Section 388 of the EPAct and NEPA. The MMS plans to publish a Record of Decision early in 2009.

- Long Island Offshore Wind Park Project (LIOWP): The Long Island Power Authority (LIPA) and Florida Power & Light (FPL) have proposed an offshore wind park located about three to four miles off the South Shore of Long Island, New York. The proposed wind park would entail installation of 40 turbines to produce 140 megawatts of electricity for use in Long Island communities. In the summer of 2007, the LIPA contracted two independent studies, one a construction cost re-estimate for the LIOWP (Ernst & Young) and the other a cost-benefit analysis for renewable energy (Pace Global Energy), to assist in determining whether or not to recommit to the LIOWP proposal. The MMS is awaiting the

official decision from the Long Island Power Authority (LIPA) on the disposition of the Long Island Offshore Wind Park (LIOWP) project.

MINERALS MANAGEMENT SERVICE
COASTAL IMPACT ASSISTANCE PROGRAM (CIAP)

Key Points:

- **The CIAP authorizes the Secretary of the Interior, as delegated to the MMS, to distribute to producing states and coastal political subdivisions $250 million for each of the fiscal years 2007 through 2010.**

- **Qualified Outer Continental Shelf revenues will be shared among six producing states (Alabama, Alaska, California, Louisiana, Mississippi, and Texas) based upon allocation formulas prescribed by the Act.**

- **In order to receive CIAP funds, states are required to submit a coastal impact assistance plan that MMS must approve prior to disbursing any funds (Section 1356a(c)(2)(A)).**

- **Louisiana and Alaska are the only states that have approved plans. Other plans are in various stages of development.**

BACKGROUND:

- The Energy Policy Act (Public Law 109-58) was signed into law by President Bush on August 8, 2005. Section 384 of the Act establishes the Coastal Impact Assistance Program, a grant program which authorizes fund distribution to Outer Continental Shelf oil and gas producing states to mitigate the impacts of OCS oil and gas activities.

- Funds are distributed as Federal grants.

- Pursuant to the Act, eligible recipients shall use all amounts received under this section for one or more of the following purposes:
  - Projects and activities for the conservation, protection, or restoration of coastal areas, including wetlands;
  - Mitigation of damage to fish, wildlife, or natural resources;
  - Planning assistance and the administrative costs of complying with Section 384 of the Act;
  - Implementation of a federally-approved marine, coastal or comprehensive conservation management plan; and
  - Mitigation of the Outer Continental Shelf activities through funding or onshore infrastructure projects and public service needs

- MMS draws three percent annually of the CIAP funds to cover the development and administration of the CIAP program.

Minerals Management Service
Minerals Revenue Management Program

Key Points:

- **Through its Minerals Revenue Management (MRM) Program, MMS works to efficiently and effectively utilize its financial systems and human resources to collect, account for, substantiate, and disburse revenues associated with mineral production from leased Federal and Indian lands.**

- **Every American benefits from the revenues generated from mineral resources, either directly through payments to Tribes and individual Indian mineral owners, or indirectly through contributions to the Historic Preservation Fund, the Land and Water Conservation Fund, the Reclamation Fund, States and the U.S. Treasury.**

- **MMS Revenues collected from onshore and offshore Federal lands by MMS are one of the largest sources of non-tax revenue to the Federal government.**

- **In 2007, MMS disbursed approximately $11.7 billion in mineral revenues to States, the Office of the Special Trustee for American Indians for distribution to Indian Tribes and individual owners, other Federal agencies, and U.S. Treasury accounts. Based on recent increases in the price of oil, estimated receipts in 2009 are expected to increase to $15.6 billion, contributing to the funding of numerous Federal programs.**

- **From its establishment in 1982 through 2007, MMS collected and disbursed more than $176 billion in oil, natural gas and other mineral revenues.**

Background:

- The MMS receives funding from the Royalty and Offshore Minerals Management appropriation, the Oil Spill Research appropriation, and offsetting rental collections. The 2008 budget provided $161.1 million appropriated funds for MMS along with $135.7 million in offsetting collections.

- The MRM Compliance Asset office ensures that the Nation's Federal and Indian mineral revenues, whether received in kind (RIK) or in value (RIV), are accurately reported and paid in compliance with laws, regulations and lease terms.

- The MMS collects royalties in-kind if there is economic advantage to the Government. These advantages may include revenue enhancement, reduced administrative costs, conflict avoidance, and earlier receipt of royalty revenues.

- Through the Revenue in Kind Program, the MMS sells the product competitively in the marketplace and resulting revenues are disbursed as prescribed by law. Alternatively, resources can be transferred to fill the Nation's Strategic Petroleum Reserve (SPR), when directed.

- The MRM Revenue and Operations office ensures that all revenues are efficiently, effectively, and accurately collected and accounted for, and disbursed in a timely manner.

Discussion:

- The MRM Program has undergone a number of evaluations, audits, and reviews in recent years. On December 17, 2007, the Royalty Policy Subcommittee on Royalty Management issued a draft report entitled, *Mineral Revenue Collection from Federal and Indian Lands and the Outer Continental Shelf.* Many of the recommendations require coordination with multiple Department of Interior agencies including MMS, the Bureau of Land Management, the Bureau of Indian Affairs, and the DOI Solicitor's Office. The Department developed a joint Action Plan to implement the Report's recommendations.

- In September 2008, the IG released three investigative reports involving current and former employees of the MRM Program. The reports found that "(There was) a relatively small group of individuals wholly lacking in acceptance of or adherence to government ethical standards; management that, through passive neglect, at best, or purposeful ignorance, at worst, was blind to easily discernable misconduct; and a program that had aggressive goals and admirable ideals, but was launched without the necessary internal controls in place to ensure conformity with one of its most important principles: "Maintain the highest ethical and professional standards." The MRM is addressing these recommendations and developing a Corrective Action Plan.

Minerals Management Service
Strategic Petroleum Reserve (SPR) Fill with Royalty in Kind (RIK) Oil

Key Points:

- Federal oil and gas leasing laws and lease terms provide the Government with the option of receiving production royalty payments either in value (RIV) or in kind (RIK). In certain circumstances, it is to the advantage of the Government to receive its royalty payments in kind; that is, in the form of oil or gas production. MMS collects RIK when there is an economic benefit.

- Under RIK, MMS may either sell the received production on the commercial marketplace and then disperse revenues as prescribed by law or transfer the resources to the Department of Energy to fill the Nations Strategic Petroleum Reserve.

- The RIK provides MMS the opportunity to reduce administrative costs, reduce disputes on royalty valuation, and thereby increase revenues to the Treasury, states and special purpose funds. MMS pays for the transportation and processing of the product and can achieve greater savings through use of strategically and competitively awarded contracts that offer reduced prices due the favorable volume of activity under the RIK program. Every aspect of MRM's RIK Program is governed by strong internal controls and a formal risk management policy modeled after commercial oil and gas industry best practices.

- The 2006 Interior, Environment and Related Agencies Appropriations Act, and the Energy Policy Act of 2005 both include permanent authority, allowing MMS to fund RIK administrative costs and RIK transportation and processing costs with RIK receipts. The preliminary 2009 estimate for RIK transportation costs is in a range of $60 million to $128 million dollars. Administrative costs are expected to exceed $20.1 million dollars.

Background:

- In his January 2007 State of the Union address, President Bush announced his intention to increase the SPR from its current inventory of over 690 million barrels (bbls) to 1.5 billion bbls by 2027. In response, DOE and DOI were directed to provide oil in an initiative to fill the SPR. The MMS was to deliver approximately 27 bbls of RIK oil for this initiative and DOE was to purchase an additional approximately 10 bbls of oil in order to completely fill the SPR capacity of 727 bbls.

- As in past SPR fills, MMS has the responsibility to move the RIK oil to an onshore market center. To accomplish this task, MMS issues a solicitation and contract to have the royalty oil transported from the offshore point to an onshore market center. DOE has the responsibility to exchange the RIK oil at the market center for oil that is appropriate for the SPR to be delivered to SPR facilities.

- MMS worked with DOE from 2000 to 2005 to raise the volume of crude in the SPR to 700 million barrels. The MMS and DOE again began adding crude to the SPR in July 2007. The latest fill effort was suspended in June 2008 in response to escalating energy prices.

Minerals Management Service
Kerr McGee Case (Related to Deep Water Royalty Relief Price Thresholds on 1998/99 leases.)

Key Points:

- The Department of Justice filed a Notice of Appeal of the District Court's ruling in the Kerr McGee case. The Department fundamentally disagrees with the District Court's conclusion that Congress, when passing the Deep Water Royalty Relief Act of 1995, eliminated Interior's discretion to enact a price threshold requirement that requires royalties be paid when prices are high.

- The 5th District Court for the United States is expected to act on the case in the near term.

Background:

- Kerr McGee (since acquired by Anadarko) filed a lawsuit challenging the authority of the Department of the Interior to impose price thresholds limiting royalty relief on deep water Gulf of Mexico leases issued between 1996 and 2000.

- On October 30, 2007, the District Court for the Western District of Louisiana upheld Kerr McGee's claim, ruling that "Interior has no discretion to enact a price threshold requirement" on these leases. The Department of Justice has filed a Notice of Appeal preserving its right to pursue an appeal before the 5th Circuit Court of Appeals.

- Over $1 billion of royalties have been paid on leases that would be affected by this ruling. Current estimates of possible future foregone royalties range from $15 billion to more than $21 billion.

Minerals Management Service
Offsetting Collections and Cost Recovery
(dollars in thousands)

	2005	2006	2007	2008	2009 CR	2009 PB	Change from 2008
OCS Rents	103,730	122,730	128,730	135,730	135,730	133,730	-2,000
Cost Recovery Fees		0	0	0	0	11,000	11,000
Totals	103,730	122,730	128,730	135,730	135,730	144,730	9,000

Key Point:

- **The Fiscal Year 2009 Budget Request proposed language that separates cost recoveries from rental fee offsetting collections.**

- **The proposal would allow MMS to retain all cost recovery fees collected, even if the cost recovery fees exceed estimates.**

- **The proposal limits the "safety clause" on cost recovery fees, so that if cost recovery fees are less than estimated, MMS will operate at a lower funding level.**

Background:

- For several years, MMS operations have been funded with appropriated funds as well as a significant amount from offsetting collection rental fees and cost recovery fees.

- Eligible rental receipts are those from post-1993, and total $133.7 million in 2009. MMS appropriations bill language allows MMS to use these rents instead of depositing them in the Treasury.

- Cost recovery fees are the costs of the review, processing, and monitoring of various activities, such as lease modifications, title changes, pipeline modifications, unitization revisions, etc. These fees are recovered directly from customers who receive the benefit of those actions. Cost recovery fees are estimated to total $13.0 million in 2009.

- In addition, appropriations language has included a "safety clause" allowing MMS budget authority for any amount not collected, up to the amount specified. Any shortfall between rental receipts and cost recovery fees comes from the General Fund.

- In 2009, MMS requested to retain $133.7 million in offsetting collections (rental receipts) to defray the costs of operations. A safety clause is included in the proposed bill language which will allow MMS to retain additional rental receipts in order to support operations. The total offsetting collections retained by MMS cannot exceed the level authorized, in advance, by Congress. In FY 2009, this

amount is $133.7 million.

- MMS also requested to retain an estimated $13.0 million in cost recovery fees. While bill language does not include a safety clause for cost recovery fees, there is a provision that allows MMS to retain an amount greater than $13.0 million if actual collections exceed estimates.

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OFFICE OF SURFACE MINING AND RECLAMATION
BUREAU OVERVIEW
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	294.2	294.7	170.4	170.4	149.3	-21.2
Permanent	353.2	409.0	441.0	479.1	479.1	38.1
Total	647.5	703.6	611.4	649.5	628.4	16.9
FTE	528	528	525	525	523	-2.0

Bureau Profile:

- The Office of Surface Mining Reclamation and Enforcement (OSM) was established by mandate of the Surface Mining Control and Reclamation Act of 1977 (SMCRA) to address environmental and public safety concerns associated with coal mining.

- The OSM's mission is to ensure that, through a Nationwide regulatory program, the coal mining essential to the Nation's well being is conducted in a manner that protects citizens and the environment during mining and restores the land to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned mine lands (AML).

- OSM's primary objectives are to ensure that coal mine surface activities are operated in a manner that protects citizens and the environment during mining, to assure that the land is restored to beneficial use following mining, and mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.

- The OSM works closely with States and Tribes to implement its results-oriented regulatory oversight system and provides technical information and tools to help States and tribal partners to develop sufficient knowledge, expertise, and capability to meet their responsibilities under SMCRA.

- The SMCRA established the Abandoned Mine Reclamation Fund to finance the restoration of land mined and abandoned prior to August 1977. Section 402(a) of SMCRA established a per tonnage fee for mined coal and these fees are placed in the Abandoned Mine Reclamation Fund. Interest accrues on the collected fees and is transferred as necessary to the United Mine Workers of America health benefit plans for unassigned beneficiaries.

Strategic Plan:

- OSM strives to improve planning, eliminate duplicative processes, and involve stakeholders. OSM deals with both State and Federal agencies, is responsible for both Federal and private lands, reclaiming and protecting diverse sites, and enhancing technology transfer among many constituents. Although a small bureau, OSM is

positioned to lead such efforts, particularly those related to implementing that part of a comprehensive energy involving coal mining in an economically and environmentally viable manner.

- OSM's activities support the Department's strategic plan in three mission goal areas: Resource Protection, Resource Use, and Serving Communities.

Current Issues:

Surface Mining Control and Reclamation Act Amendments of 2006

- The Tax Relief and Health Care Act of 2006, which included the Surface Mining Control and Reclamation Amendments Act of 2006, revised fee collections and distribution of the mine reclamation fees.

- The 2006 Amendments extended the mine reclamation fee collection authority through September 30, 2021, and reduced the fee by ten percent. The Amendments changed the fee structure beginning in 2008 to: 31.5 cents per ton of surface mined coal, 13.5 cents per ton of coal mined underground, and nine cents per ton of lignite, or ten percent of the value of the coal at the mine, paid by operators of active mines. Further fee reductions occur in 2012.

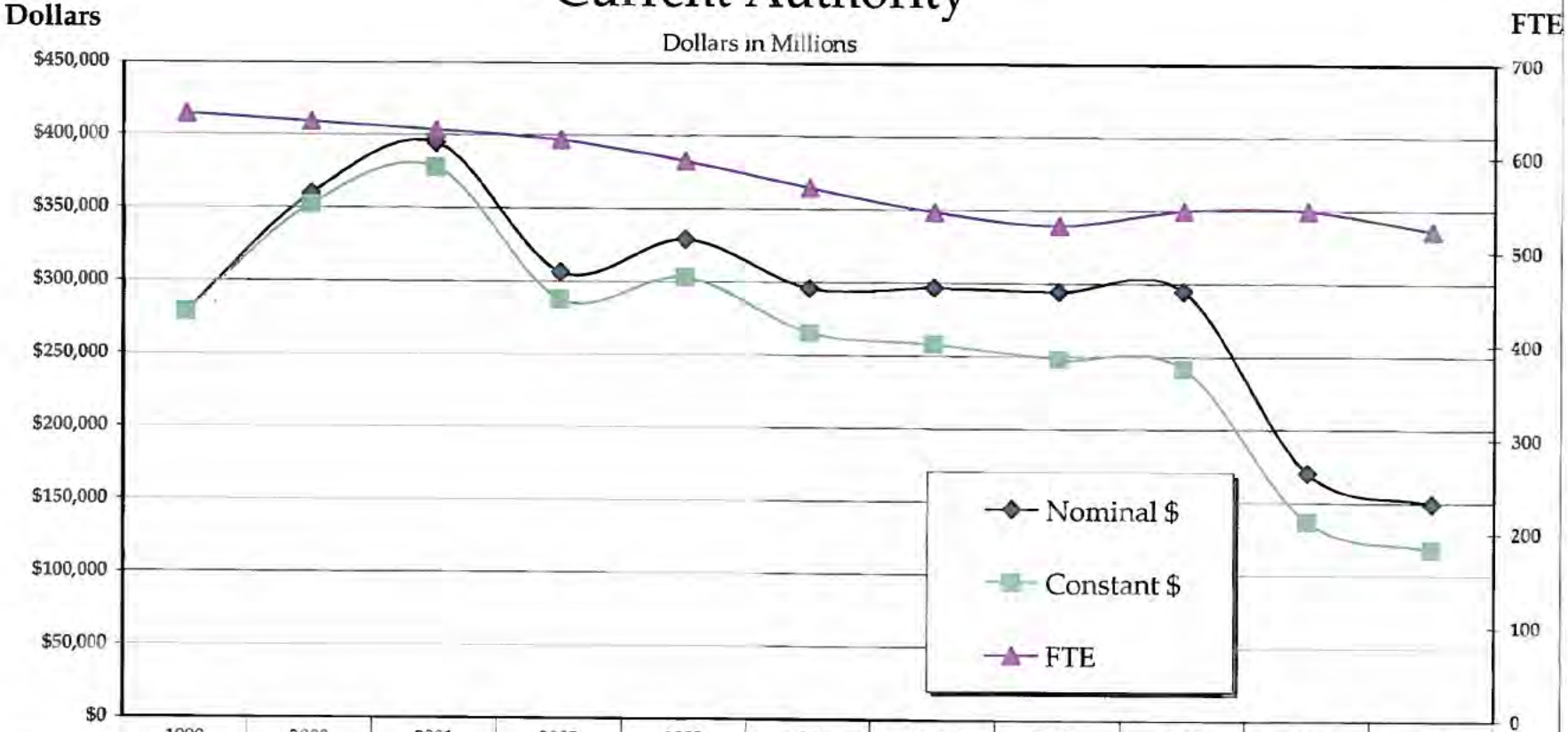
- The Amendments changed the distribution of the fee and the method by which State and tribal reclamation grants are funded. Beginning in 2008, State and tribal reclamation grants are funded by permanent (or mandatory) appropriations. Once fully phased in, approximately 83 percent of the fees collected each year will be disbursed to States and Tribes the following year without appropriation.

- The Amendments also provide Treasury funds, prorated over seven years, in lieu of State and tribal share unappropriated balances; and in lieu of future State and tribal share collections for those States and Tribes that have certified completion of their coal AML problems.

- Most importantly, the Amendments provide dramatically increased funding through mandatory grants, from $132.0 million in 2007 to $274.3 million in 2008 and $298.4 million in 2009.

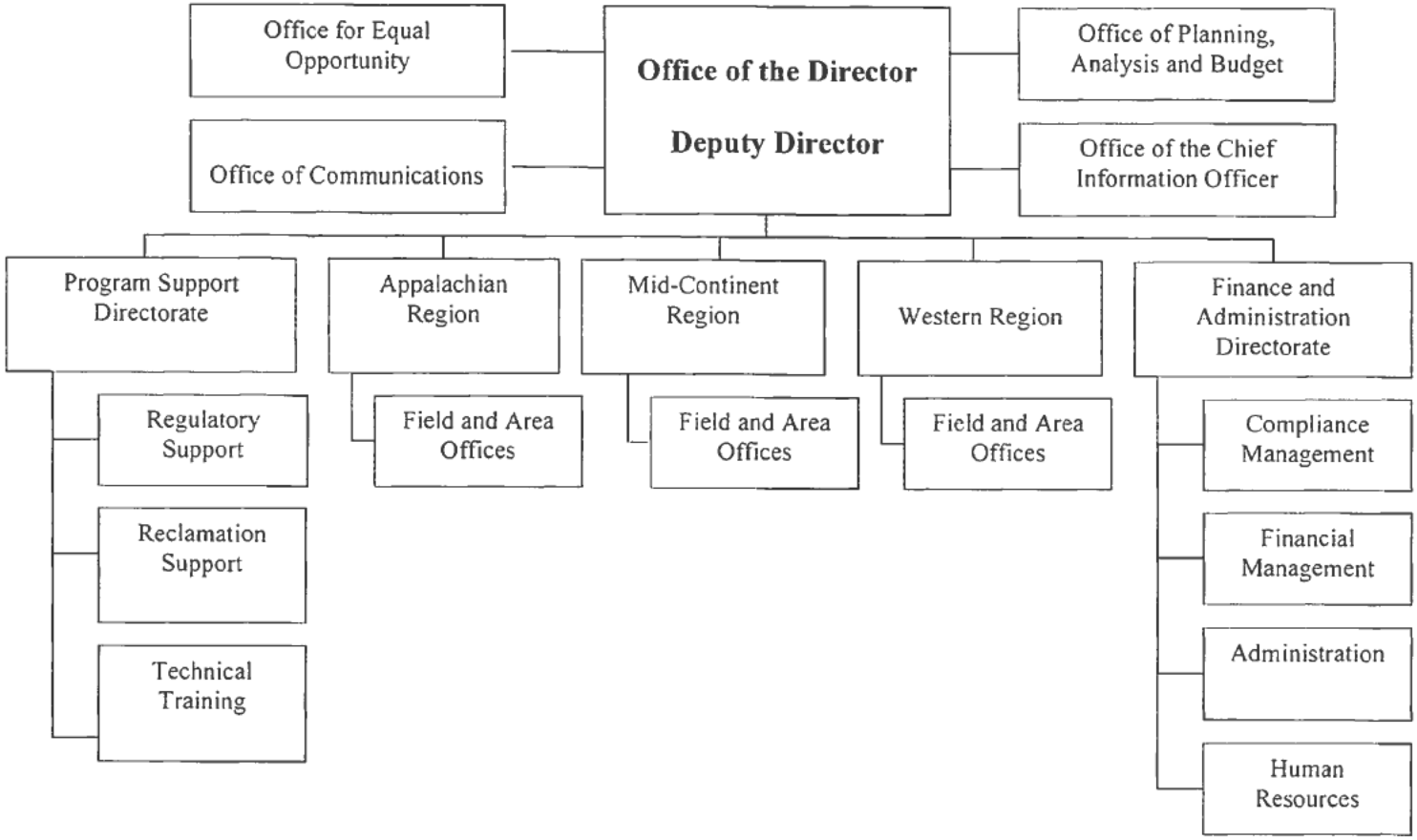
- The Amendments also direct all of the interest which accrues on the collected fees to three United Mine Workers of America retiree benefit plans. The interest finances health benefits for unassigned beneficiaries. The Act eliminates the ten percent allocation for the Rural Abandoned Mine Program, and uses funds existing in RAMP at the time the Act passed to supplement the UMWA plan needs.

Office of Surface Mining and Reclamation
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	278,699	359,699	394,321	306,230	328,781	295,778	296,562	294,228	294,654	170,411	149,263
Constant $	278,699	352,577	377,602	287,736	302,801	265,496	257,933	247,704	241,589	137,073	117,686
FTE	645	636	627	617	595	567	542	528	544	544	523

Office of Surface Mining
Reclamation and Enforcement



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Office of Surface Mining, Reclamation and Enforcement

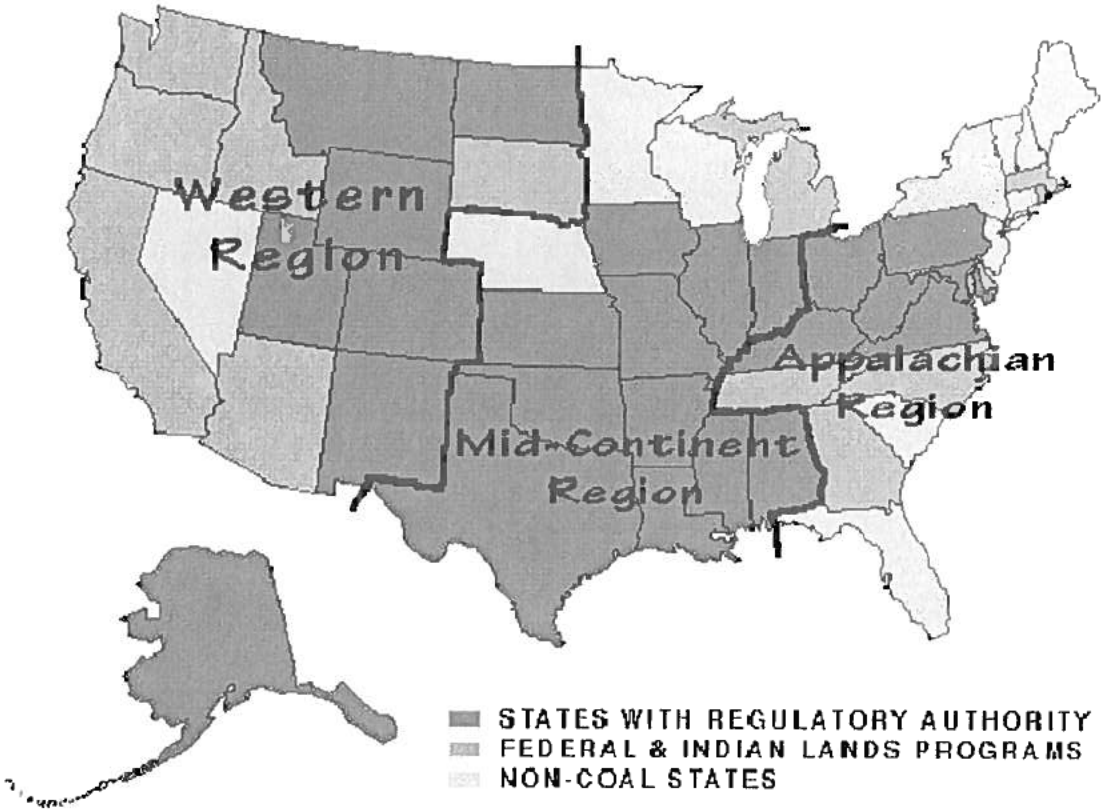
Offices:

Headquarters
1951 Constitution Ave. N.W.
Washington, DC 20240
(202) 208-4006

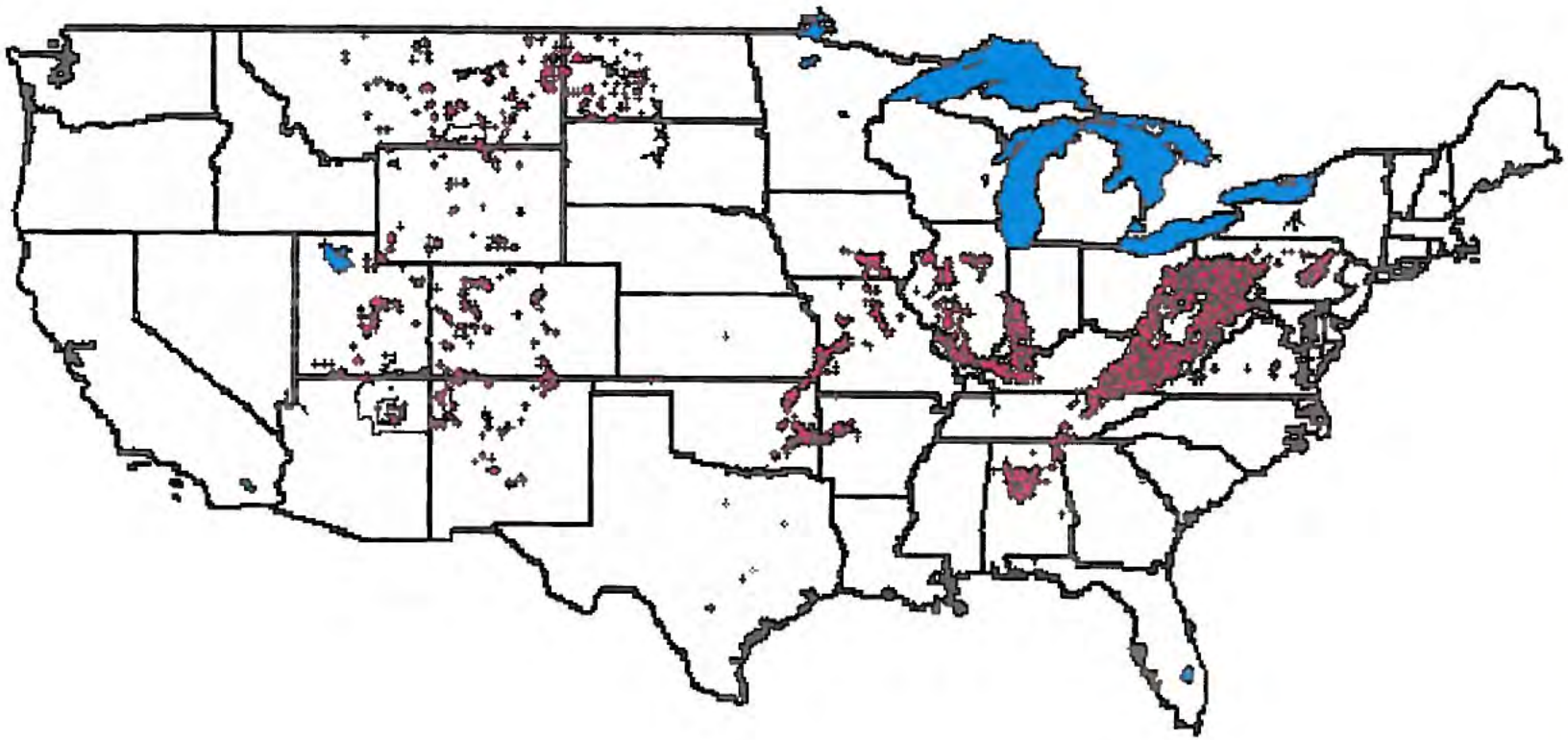
Appalachian Regional Office
(Maryland, Michigan)
Three Parkway Center
Pittsburgh, PA 15220
(412) 937-2828

Mid-Continent Regional Office
(Iowa, Kansas, and Missouri)
Alton Federal Bldg.
501 Belle Street, Rm 216
Alton, IL 62002
(618) 463-6463

Western Regional Office
(Alaska, Colorado, Utah, Washington, and Indian Lands)
1999 Broadway, Suite 3320
Denver, CO 80201-6667
(303) 293 - 5001



Abandoned Mine Land
High Priority Coal Related Problems



NOTE: Also problems in Alaska

Source: AMLIS

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Regulation and Technology	343	118,460	343	118,452	0	-8
Abandoned Mine Reclamation Fund	185	51,951	180	30,811	-5	-21,140
Subtotal, Appropriations	528	170,411	523	149,263	-5	-21,148
Permanent Appropriations						
Payments to States in Lieu of Coal Fee Receipts (Treasury Funds)	0	187,000	0	207,000	0	+20,000
Payments to UMWA Health Plans (AML)	0	100,000	0	114,000	0	+14,000
Payments to UMWA Health Plans (Treasury Funds)	0	66,700	0	66,700	0	0
Mandatory Grants to States and Tribes (AML)	0	87,300	0	91,400	0	+4,100
Subtotal, Permanent Appropriations	0	441,000	0	479,100	0	+38,100
TOTAL, OFFICE OF SURFACE MINING	**528**	**611,411**	**523**	**628,363**	**-5**	**+16,952**

OFFICE OF SURFACE MINING AND RECLAMATION
BUDGET OVERVIEW

Key Points:

- The 2009 budget request for OSM is $149.3 million in discretionary appropriations, $21.1 million below the 2008 enacted level. The 2009 budget is reduced by a total of $20.0 million as OSM begins a phased transition of responsibility for AML emergency projects to the States.

- The OSM budget decreased by 50 percent in nominal dollars since 2005. In constant dollars, the OSM budget decreased by 54 percent. These dramatic declines are primarily of result of moving AML funding from discretionary to permanent accounts which are not reflected in these percentages. FTE levels have fallen by 4.5 percent.

- In 2009, OSM will receive and distribute $479.1 million in permanent appropriations. This includes $207.0 million in State share balance payments to certified and non-certified States and Tribes; $91.4 million in reclamation grants to non-certified States and Tribes; and $180.7 million in payments to three United Mine Workers of America retiree health benefit plans.

- The 2009 budget for Regulation and Technology is $118.5 million, level with the 2008 enacted level. State regulatory grants are funded at $63.7 million in 2009, a decrease of $836,000 million below 2008.

Budget Trends:

- The SMCRA amendments of 2006 dramatically increase State AML grant funding and make such funding mandatory rather than subject to appropriation.

- Mandatory funding began in FY 2008, with a jump from $132.0 million in FY 2007 to $274.3 million provided in FY 2008 for regular AML grants.

- Further increases are projected with a projected total of $380.3 million by FY 2010 and $533.4 million in FY 2012, when mandatory funding is fully phased in.

- OSM's discretionary funding for AML declined beginning in 2008 reflecting this shift.

- The President's FY 2009 budget request does not include a request for appropriated funds to cover the cost of addressing emergency projects. This is a reduction of $21.1 million. The States believe that OSM should continue to fund emergency projects.

- FY 2009 will be a transition year with carryover funds used to conduct emergency projects. That way, States would not need to fund emergency projects from their high priority funding until FY 2010.

- The 2009 President's budget includes an amendment issued in August 2008 that proposes to rescind $11.7 million in emergency AML balances. The 2009 budget proposed to cancel unobligated appropriated balances of $24.7 million. Cost estimates have since increased and the funding is required to complete the required cleanup.

- The 2009 State and Tribal grant program maintains most of the robust funding Congress provided in 2008; the 2009 level is increased by $7.3 million, or 13 percent above 2007, and will allow the States and Tribes to prevent 93 percent of active mine sites from causing off site impacts and thereby releasing 80,000 acres from phase one and two performance bonds. Over time, State Regulatory Grants will have increased from $47.7 million in 1991 to $63.7 million in 2009, an increase of 33 percent.

OFFICE OF SURFACE MINING, RECLAMATION AND ENFORCEMENT
ABANDONED MINE LANDS PROGRAM

Key Points:

- The authority to collect the mine reclamation fee and distribution of the fee was revised by the Tax Relief and Health Care Act of 2006, which included the SMCRA Amendments of 2006. These amendments extended the authority for fee collection through September 30, 2021, and changed the manner in which State and Tribal reclamation grants are to be funded, beginning in FY 2008. State and Tribal grants are funded by mandatory appropriations, and only those activities under SMCRA Section 402(g) (3) (A) – (D) remain discretionary. The discretionary activities include Federal Reclamation Programs, State and Federal Emergency Programs, and OSM operations.

- In November 2008, OSM published proposed regulations for the AML program. (Additional info to be inserted as info becomes available in the coming weeks).

- The 2009 AML mandatory grant payments in FY 2009 will total an estimated $298.4 million compared to $132.0 million in 2007. The increase in funding available to the States will allow OSM to begin phasing out Federal responsibility for AML emergency programs; however carryover funding will be available to ease the transition to the States.

Background:

Major changes to the Abandoned Mine Land (AML) program brought about by of P.L.109-432:

- Extends statutory fee rates through September 30, 2021 and reduces reclamation fees by 20% in two steps.

- First, the law changed the allocation formula:
  - States with remaining coal reclamation to address (non-certified) will receive a mandatory distribution of 50% of fees collected within their jurisdiction.
  - Certified states and Indian tribes (those that have certified that they have no remaining coal reclamation) will no longer receive 50% of fees collected within their jurisdiction. Instead, they will receive mandatory payments from the Treasury for that amount.
  - Eliminates the Rural Abandoned Mine Program (RAMP) allocation for future revenues.
  - The law increases the historical production allocation by the amount of the former RAMP allocation, raising the historic coal production allocation to 30% of collections. Mandatory distribution of these amounts is to be made to States and Indian tribes based upon their coal production before 1977, when SMCRA was passed. States must have high priority coal problems in inventory to be.
  - The amount of the Secretary's discretionary share remains unchanged at 20% of collections. Expenditures from this allocation, which remain subject to appropriation are:
    - Federal AML projects in non-program states
    - Emergency reclamation program

- Administrative and operational expenses for OSM
- The Clean Streams program
- Watershed cooperative agreements

- Based upon the above mandatory distributions, each state and Indian tribe with an approved AML reclamation plan will receive a minimum annual distribution of $3 million. When these allocations are insufficient to guarantee $3 million, the shortfall is made up by mandatory payments from the Secretary's discretionary share.

- Requires mandatory payments to states and tribes of an amount equal to the unappropriated balance of all state-share and tribal-share allocations made before October 1, 2007. Payments must be made in seven equal annual installments, beginning with FY 2008. These funds will come from General Treasury, not from the AML fund. Indiana's unappropriated balance is approximately $42.2 million.

- An amount of fee revenues equal to the annual Treasury payments to certified states and tribes under this provision and an amount equal to the transfer of the unappropriated state share balances must be reallocated to the historical production allocation.

- Provides for payments for shortfalls in the United Mined Workers Combined Benefit Plan, the 1992 Plan and the 1993 Plan as follows:
  - The unappropriated balance of the RAMP allocation as of the date of enactment UMWA plans
  - Interest earned annually on AML fund
  - Payment From General Treasury
  - Interest earned by the AML fund before enactment of this legislation and not previously transferred to the CBF (the "stranded interest")

- The amount paid by the Treasury for all purposes under this act is subject to a $490 million annual cap. If demands on the Treasury for these purposes exceed that amount, payments must be made on a proportionate basis, using a uniform percentage.

- Provides for Indian Tribes to seek approval of programs to regulate coal production on reservation land.

OFFICE OF SURFACE MINING, RECLAMATION AND ENFORCEMENT
STATE AND TRIBAL REGULATORY GRANTS

	2006	2007	2008 PB	2008	2009	Change from 2008 Enacted
Reg & Tech	108.9	109.3	115.5	118.5	118.5	0
FTE	343	343	343	343	343	0

Key Points:

- The 2009 budget for Regulation and Technology is $118.5 million, level with the 2008 enacted level. State regulatory grants are funded at $63.7 million in 2009, a decrease of $836,000 million below 2008. State Regulatory Grant funds from OSM must be matched by States. States requested $70.3 million in grant funding for 2009.

- The SMCRA provides that States should have the primary responsibility for regulating surface coal mining and reclamation operations on non-Indian lands within their borders.

Background:

- The goal of the Regulation and Technology program is to implement Title V of SMCRA by providing oversight and technical support for the regulation of active mining.

- Twenty-four States have approved permanent regulatory programs for the regulation of coal mining activities. The program is cost-effective because States are able to implement the program at a significantly lower cost than OSM. To encourage States to assume this responsibility, SMCRA authorizes the annual award of grants to States with approved regulatory programs, for up to 50 percent of the State's cost of administering the program.

- OSM promotes the development and use of the best technologies in coal mining and reclamation to effectively: a) prevent catastrophic mining-related events impacting offsite public safety, property, or the natural environment, b) assure restoration of the land to productive long-term uses after mining, and c) minimize off-site environmental degradation; all while fostering the coal mining activity needed for the Nation's energy supply.

- As authorized by the Energy Policy Act of 1992 and Section 710 (i) of SMCRA, OSM currently provides grants to the Crow and Hopi Tribes and the Navajo Nation to assist them in developing regulations and programs for regulating surface coal mining and reclamation operations on Indian lands.

- The 2009 State and Tribal grant program maintains most of the robust funding Congress provided in 2008; the 2009 level is increased by $7.3 million, or 13 percent above 2007, and will allow the States and Tribes to prevent 93 percent of active mine

sites from causing off site impacts and thereby releasing 80,000 acres from phase one and two performance bonds. Over time, State Regulatory Grants will have increased from $47.7 million in 1991 to $63.7 million in 2009, an increase of 33 percent.

- The SMCRA Amendments authorized tribal primacy which gives Indian Tribes the authority to regulate surface coal mining and reclamation operations on reservation land. The budget for State and Tribal Regulatory grants includes $500,000 in FY 2009 to support tribal primacy.

OFFICE OF SURFACE MINING, RECLAMATION AND ENFORCEMENT
REFORESTATION PROGRAM

KEY POINTS:

- **The purpose of the reforestation initiative is to apply strong science to forest reclamation since the world's forests are the primary means by which carbon is naturally sequestered.**

- **In 2004, OSM, in cooperation with several states and other partners, initiated the Appalachian Regional Reforestation Initiative (ARRI) to address the technical, legal, and cultural barriers to effective reforestation as a part of mined land reclamation.**

- **The Appalachian Regional Reforestation Initiative (ARRI), which has fostered partnerships enlisting 226 individuals from 118 different organizations who share its objectives.**

Background:

- The coal fields of the Eastern United States lie within the largest and oldest deciduous forests on Earth. Almost all of the land surface mined for coal within the Eastern United States and Pacific Northwest were forested until mined.

- While trees can grow very well on areas mined for coal, reclamation practiced over the past 30 years has emphasized creating smoothly graded slopes with heavy ground cover to protect against erosion.

- The few efforts at reestablishing trees have had little success. With the increases in surface coal mining, this has lead to substantial forest fragmentation, loss of habitat for critical species (such as the Indiana Bat and Cerulean Warbler), and increased flooding due to higher peak runoff from reclaimed areas.

- There are enormous environmental, cultural, and economic benefits to restoring trees to those areas that were forested before mining. These include:
  - increased carbon sequestration so important to the climate change issue,
  - increased land values and economic productivity for mined lands,
  - reduction in peak storm flows that reduce flooding potential,
  - restoration of habitat for threatened or endangered species, and
  - improved water quality.

- Through ARRI, OSM has worked with states and others to remove the barriers to effective reforestation of mined land.

OFFICE OF SURFACE MINING, RECLAMATION AND ENFORCEMENT
MOUNTAINTOP MINING AND STREAMFILL REGULATIONS

Key Points:

- Mountaintop removal is a method of surface coal mining where the land is not returned to its original contour to achieve a specific land use following mining (equal to or better than the pre-mining land use). This Mountaintop removal method is allowed by and defined in the Surface Mining Control and Reclamation Act of 1977 (SMCRA) at section 515(c)(1).

- Mountaintop mines are surface coal mines that remove coal from seams running through the upper areas of a mountain or ridge. Whenever rock is removed to mine the coal, more material results than can be placed back into the mining excavation. Called "excess spoil," this material is typically placed in valleys or hollow fills located in adjacent headwater valleys. The size and extent of these excess spoil fills have raised concerns over the loss of streams, destruction of fish and wildlife habitat, and impaired aesthetics.

- The Department, through its Office of Surface Mining, Reclamation and Enforcement (OSMRE), regulates mountaintop mining and valley fills under the provisions of the Surface Mining Control and Reclamation Act (SMCRA). The U.S. Army Corps of Engineers (COE) and the Environmental Protection Agency (EPA) also regulate these activities under the provisions of the Clean Water Act.

- Mining operations are regulated under the Clean Water Act (CWA); including discharges of pollutants to streams from valley fills (CWA Section 402) and the valley fill itself where the rock and dirt is placed in streams and wetlands (CWA Section 404). Coal mining operations are also regulated under the Surface Mining Control and Reclamation Act of 1977 (SMCRA).

- In October 2008, OSM announced the availability of the final environmental impact statement (FEIS) evaluating potential changes to the excess spoil and coal mine waste disposal rules as well as the stream buffer zone rule.

Background:

- Coal companies must obtain a surface coal mining permit from the authority that is responsible for implementing Surface Mining Control and Reclamation Act in the location where the coal will be mined. In most cases, that is the state government. State regulations can be no less restrictive than the regulations established by Congress in Surface Mining Control and Reclamation Act.

- In October 2008, OSM announced the availability of the final environmental impact statement (FEIS) evaluating potential changes to the excess spoil and coal mine waste disposal rules as well as the stream buffer zone rule. The final environmental impact

statement provides decision makers with information about the impacts that could result if these rules are revised.

- The rulemaking alternatives considered in the FEIS address two requirements of the Surface Mining Control and Reclamation Act of 1977 (SMCRA): to prevent additional contributions of sediment to streams outside the permit area, and to minimize adverse impacts on fish and wildlife and related environmental values.

- OSM published a proposed excess spoil minimization -- stream buffer zone rule in August 2007 and released the associated draft environmental impact statement. Consistent with the National Environmental Policy Act, after considering a range of seventeen alternatives, OSM narrowed the environmental analysis to four action alternatives and a fifth "take no action" alternative.

- Of the five alternatives, the most environmentally-protective alternative is also OSM's preferred alternative. The FEIS concludes that the net environmental effect of the preferred alternative is slightly positive because it requires coal mining operations to minimize certain impacts: the volume of rock and spoil disposed outside the mined area; the footprint of the disposal area; and the adverse effects from excess spoil and coal mine waste disposal ("minimization requirements").

- The other four alternatives analyzed by the FEIS would result in little or no net environmental change.

- The preferred alternative would also require coal mining activities to avoid the area in or within 100 feet of an intermittent or perennial stream ('the stream buffer zone"), or show why avoidance is not possible. Activities in the stream buffer zone would be prohibited unless OSM grants a waiver, or unless the activity is specifically exempted from the prohibition.

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BUREAU OF RECLAMATION
BUREAU OVERVIEW
(DOLLARS IN MILLIONS)

	2006	2007	2008 Enacted *	2009 CR *	2009 Request **	Change From 2008 Enacted
Current	1,018.3	1,025.0	1,107.9	1,107.9	919.3	-188.6
Permanent	111.1	92.7	116.4	114.3	114.3	-2.1
CVPRF Offest	-43.9	-32.9	-51.3	-51.3	-48.3	3.0
Total	1,085.5	1,084.8	1,173.0	1,170.9	985.3	-187.7
FTE	5,630	5,649	5,649	5,649	5,628	-21

* Does not includes $175 million for Desert Terminal Lakes that is proposed for rescission in FY 2009.

* *Does not include DTL nor the -$7.5 million in the Friant legislative proposal.

Bureau Profile:
Reclamation's mission is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest to the American public.

Reclamation is the largest supplier and manager of water in the 17 western States. It maintains 479 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. These facilities deliver water to one of every five western farmers for about 10 million acres of irrigated land and provide water to over 31 million people for municipal, rural, and industrial uses. Reclamation is also the Nation's second largest producer of hydroelectric power, generating 44 billion kilowatt hours of energy each year from 58 power plants. In addition, Reclamation's facilities provide substantial flood control, recreation, and fish and wildlife benefits.

Reclamation's funding is distributed among five regions (Pacific Northwest, Mid-Pacific, Lower Colorado, Upper Colorado, and Great Plains) and the Commissioner's Office. The funding supports Reclamation's efforts to:

- Make the required deliveries of water under Reclamation contract;
- Optimize hydropower generation, consistent with other project purposes, agreements and the President's energy policy;
- Incorporate environmental, recreational, land management, fish and wildlife management and enhancement, water quality control, cultural resources management, and other concerns into the water supply and power generation action of Reclamation; and
- Identify water supply needs for consumptive and non-consumptive purposes in Reclamation states in the next 25 years which are likely to be unmet with existing resources.

By far, the significant appropriation line for Reclamation is Water and Related Resources, which accounts for approximately 95% of its appropriated funding. Appropriated funding is also provided for each of the following programs: Policy and Administration, California Bay-Delta Restoration, and the Central Valley Project Restoration Fund. A Loan Program appropriation has neither been requested nor funded for many years.

Legislative Issues:

- **Loan Guarantee Program:** On December 22, 2006, the President signed P.L. 109-451, the Rural Water Supply Act of 2006. Title I of the statute requires the Secretary to establish a formal rural water supply program for rural water and major maintenance projects in the 17 western States. The Act requires the establishment of programmatic and eligibility criteria for the rural water program along with other reporting requirements and criteria for appraisal and feasibility studies. Implementation of the Act will allow the Department, the Administration and Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West. These requirements are under development and are expected to be published in 2009.
- **Pick-Sloan Missouri Basin Program:** The 2009 budget proposes to reallocate the repayment of capital costs of the Pick-Sloan Missouri Basin program. Power customers would be responsible for repayment of all construction investments from which they benefit. This change would increase reimbursements to the Treasury from power customers by $23.0 million in 2009. A legislative proposal will be transmitted for consideration to the appropriate congressional authorizing committees.
- **San Joaquin River Restoration Fund:** The 2009 budget reflects the settlement of *Natural Resources Defense Council v. Rodgers.* The Administration will submit authorizing legislation, the San Joaquin River Restoration Settlement Act, which will include a provision to redirect $7.5 million per year of payments from the Central Valley Project Friant division and $9.8 million from the Reclamation Fund, which would be available without further appropriation to implement the provisions of the Settlement.

Strategic Plan:

Reclamation has performance goals that tie to each of the following Department strategic plan outcome missions:

- Resource Protection
  - Sustain biological communities on DOI managed and influenced lands and waters in a manner consistent with obligations and State law regarding the allocation and use of water.
  - Protect cultural and natural heritage resources.

- Resource Use
  - Deliver water consistent with applicable Federal and State law, in an environmentally responsible and cost efficient manner.
  - Manage or influence resource use to enhance public benefit, promote responsible development, and economic value (for energy, forage, forest products and non-energy minerals).

- Recreation
  - Improve the quality and diversity of recreation experiences and visitor enjoyment on DOI lands.

- Serving Communities

- Improve protection of lives, resources and property.

Current Issues:

- Watersheds throughout the West continue to be challenged by chronic water supply shortages, dramatic population growth, climate variability, and heightened competition for finite water supplies by cities, farms, and the environment.

  - These pressures are growing. For example, meeting the Nation's ethanol production target of 7.5 billion gallons per year by 2012 will require 30 billion gallons of water a year to process. If just 25 percent of an expanded corn crop requires irrigation, ethanol production would demand one trillion gallons of water per year—nearly the combined annual usage of the cities in Arizona, Colorado, Idaho, and Nevada.

  - Emerging water conflicts between human settlements and wildlife have already surfaced in the Klamath River basin and, more recently, in the California Bay Delta, jeopardizing water deliveries to 25 million Californians.

- Aging Infrastructure: Reclamation's infrastructure includes 479 dams and dikes, 348 reservoirs, and over 300 conveyance and distribution systems. Approximately 50 percent of Reclamation's dams are 50 – 100 years old; and nearly 90 percent of the dams were built before current state-of-the-art foundation treatment and filter techniques were incorporated in embankment dams to better control seepage.

  - While age itself is not the sole determinant of its viability, the aging of infrastructure presents increasing maintenance, replacement and modification requirements.

- Klamath Basin Restoration Agreement: Klamath River Basin stakeholders have developed a Proposed Klamath Basin Restoration Agreement. The Agreement is intended to result in effective and durable solutions which: 1) in concert with the removal of four dams , will restore and sustain natural production and provide for full participation in ocean and river harvest opportunities of fish species throughout the Klamath Basin; 2) establish reliable water and power supplies which sustain agriculture uses, communities, and National Wildlife Refuges; and 3) contribute to the public welfare and the sustainability of all Klamath Basin communities. Department and other stakeholders (representing 26 organizations) have been working for over two years to come to an agreement.

  - It is expected that an agreement will potentially reduce the number of lawsuits -- lawsuits which might result in both higher costs and adverse requirements on the Department.

  - A draft agreement was developed and made public on January 15th, 2008. The agreement is predicated on a private company agreeing to remove four dams, at its own expense. An agreement in principle has been reached and negotiations with the company toward a final agreement continue.

- DOI is poised to do a four-year study, at an estimated cost of $12.0 million, of the feasibility of the removal of the dams. The Secretary would not make a decision on dam removal until the study was completed.

- The draft agreement is estimated to cost close to $1.0 billion dollars over the first ten years of the agreement.

- Indian Land and Water Settlements: At the end of the 110th Congress, 10 pending settlements had legislation moving or were expected to introduce legislation shortly: Aamodt (Pueblo of Nambe, Pojoaque, San Il defonso, and Tesuque) (S. 3381), Taos (Pueblo of Taos) (S. 3381), Navajo-San Juan (Navajo Nation and Jicarilla Apache Nation) (S. 1171 and S. 3213), Tule River Indian Tribe, Fort Belknap (Gros Ventre and Assiniboine Tribes), Blackfeet Nation, Crow (S. 3355), Duck Valley (HR 5293), White Mountain Apache (S. 3473), and Little Colorado River (Navajo-Hopi).

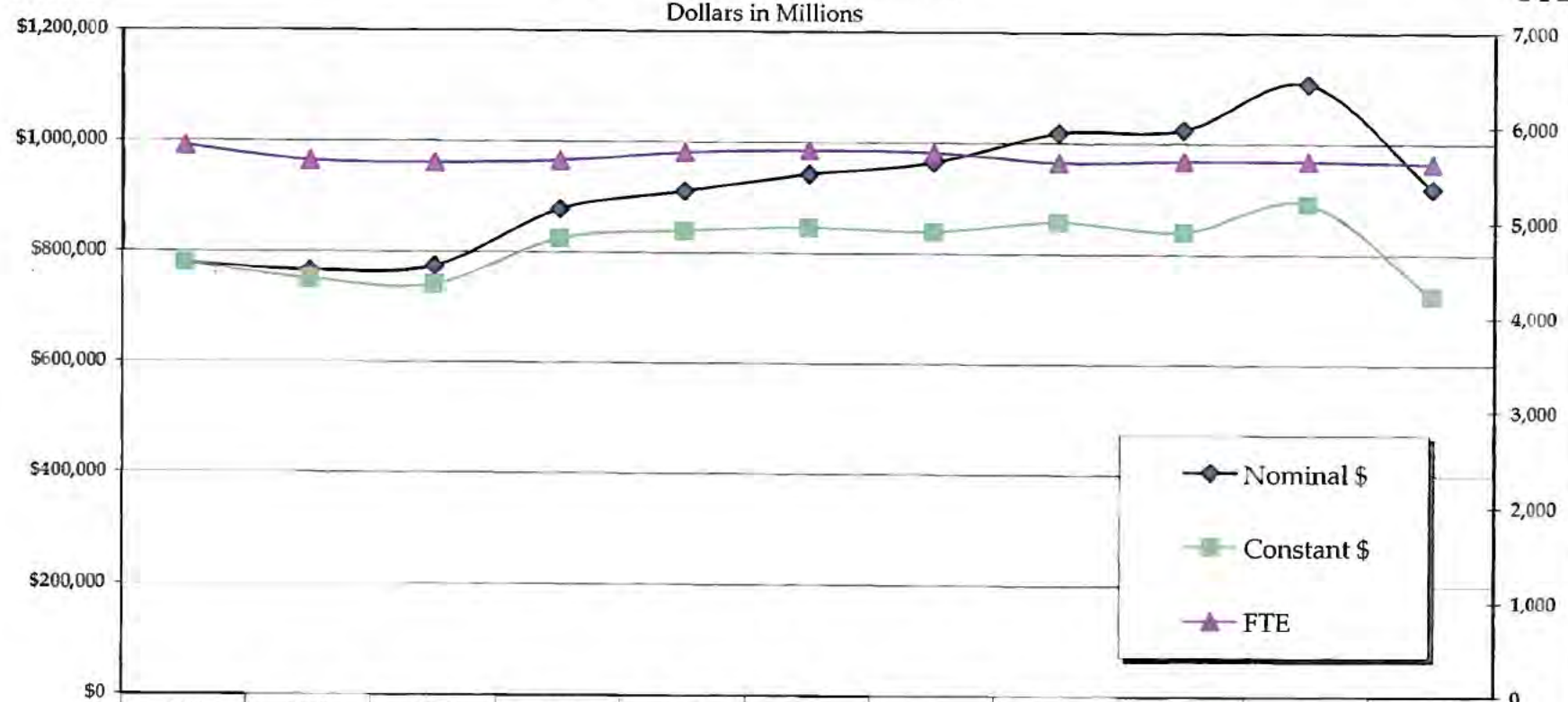
- The Department testified against five of the settlements (Aamodt, Taos, Navajo-San Juan, Crow, and Duck Valley) on the grounds that, in addition to technical problems, the cost of the settlements exceeded the amounts that the Administration could support under Federal guidelines for the settlement of Indian water rights claims.

  - With some exceptions, Indian water rights settlements are funded out of discretionary appropriations. However, most of the settlement bills include provisions under which, if funding for the bill is not provided by certain date, the settlement will fail and the tribe and state parties will resume litigation. This creates pressure to appropriate funds authorized in the settlement bills.

  - The size of some of the recent settlements has established what may be unrealistic expectations among states and tribes about the amount of funding available from the Department of the Interior for settlements. Typically costs are driven up by the inclusion of significant water infrastructure projects to benefit Indians and non-Indians alike and large trust funds for tribes to use to promote development on their reservations.

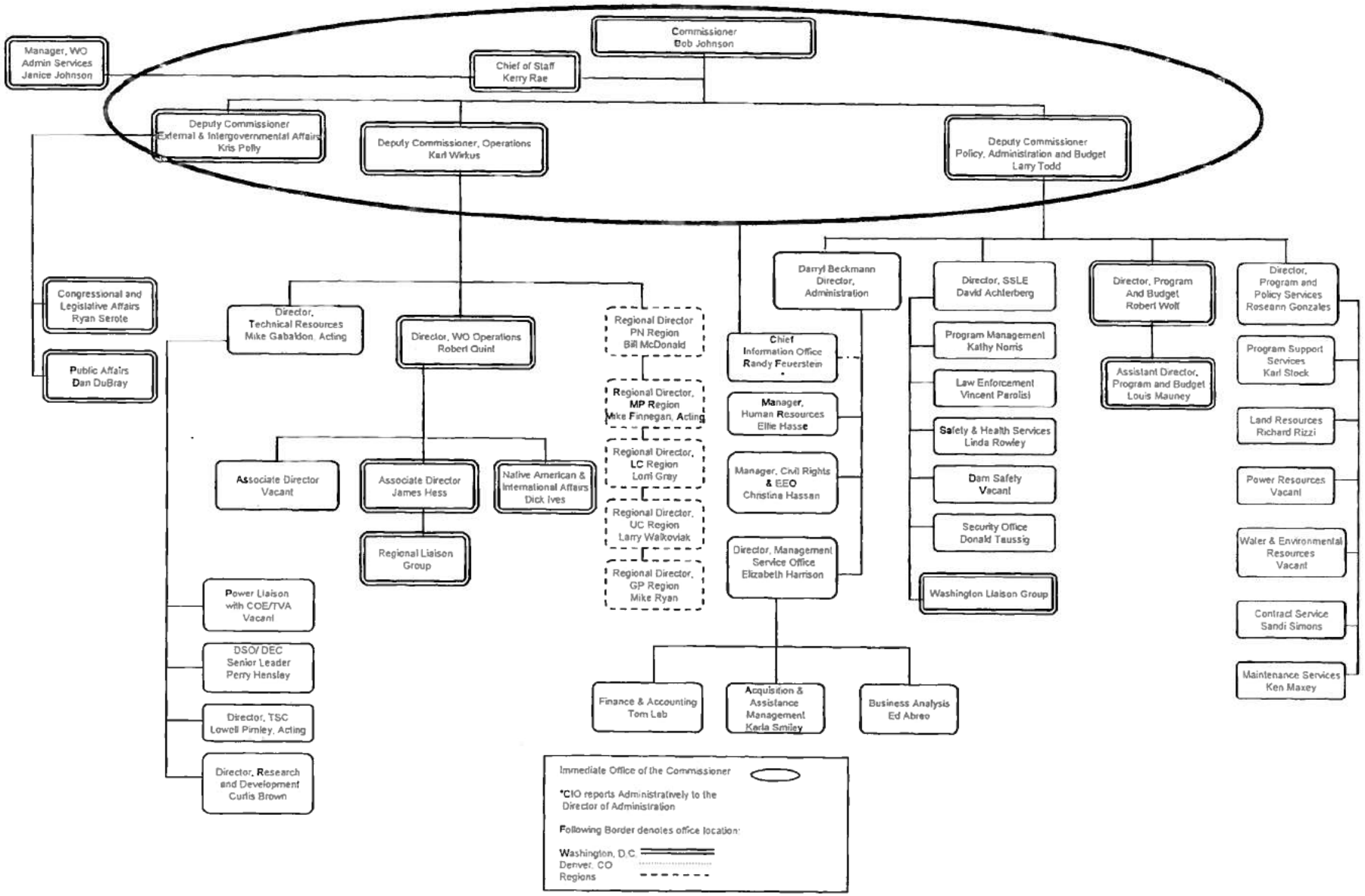
  - If all of the pending settlement bills were enacted in their current form, the Department would face authorizations for billions of dollars for infrastructure construction and other settlement funding. Within existing budgets, it will not be possible to comply with the time frames given in all of these pending bills without having significant impacts on other programs.

Bureau of Reclamation
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	780,107	766,569	774,775	877,717	911,559	942,858	964,921	1,018,303	1,024,996	1,107,913	919,299
Constant $	780,107	751,391	741,925	824,711	839,528	846,327	839,233	857,288	840,402	891,167	724,821
FTE	5,786	5,632	5,609	5,634	5,721	5,750	5,731	5,630	5,649	5,649	5,628

Bureau of Reclamation
January 15, 2008



Bureau of Reclamation
Regional Boundaries

Bureau of Reclamation
Commissioner's Office
1849 C Street, N.W.
Washington, DC 20240-9997

Pacific Northwest Region
1150 North Curtis Road
Boise, ID 83706-1234

Mid Pacific Region
2800 Cottage Way
Sacramento, CA 95825-1898

Lower Colorado Region
500 Fir Street
Boulder City, NV 89005

Upper Colorado Region
125 South State Street
Salt Lake City, UT 84138-1147

Great Plains Region
Federal Courthouse
316 North 26th Street
Billings, MT 59101-1362

RECLAMATION
STATISTICS

All information presented is as of 2008.

2008 Budget: $1.2 billion
2008 FTE: 5,622

States Served: 17 Western States

Water:

- 479 – number of dams maintained by Reclamation.
- 348 – number of reservoirs maintained by Reclamation.
- 245 million acre-feet of water – total Reclamation water storage capacity.
    - An acre-foot of water is the amount of water it takes to fill one acre to a depth of one foot. It equals 325,851 gallons.
    - 10 trillion gallons – number of gallons of water provided by Reclamation for municipal, residential and industrial use.
- 10 million acres – number of acres of farmland irrigate by Reclamation.
- 31 million – number of people served by Reclamation water delivery.

Hydropower:

- 58 – number of Reclamation hydropower plants.
- 44 billion – number of kilowatt hours produced.
    - 17 percent – percentage of Nation's hydropower produced by Reclamation

Recreation:

- 350 – number of campgrounds maintained by Recreation.
    - 90 million – number of visitors per year to Reclamation recreation facilities.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Water and Related Resources	3,192	949,882	3,198	779,320	+6	-170,562
Loan Program	1	0	1	0	0	0
Policy and Administration	289	58,811	289	59,400	0	+589
Central Valley Project Restoration Fund	24	59,122	24	56,079	0	-3,043
Legislative Proposal	0	0	0	-7,500	0	-7,500
Subtotal, CVPRF (with legislative proposal)	*[24]*	*[59,122]*	*[24]*	*[48,579]*	*[0]*	*[-10,543]*
California Bay-Delta Restoration	25	40,098	25	32,000	0	-8,098
Working Capital Fund	1,668	0	1,668	0	0	0
Subtotal, Appropriations	5,199	1,107,913	5,205	919,299	+6	-188,614
Central Valley Project Restoration Fund Offset	0	-51,321	0	-48,278	0	+3,043
Net Discretionary	*5,199*	*1,056,592*	*5,205*	*871,021*	*+6*	*-185,571*
Permanents and Other						
Colorado River Dam Fund, Boulder Canyon Project	207	95,908	207	96,019	0	+111
Basin Funds	211	0	211	0	0	0
Loan Program Subsidy Re-estimate	0	19,257	0	0	0	-19,257
Loan Program Liquidating Account	0	-2,644	0	-2,682	0	-38
Miscellaneous Permanents	0	280	0	280	0	0
Reclamation Trust Funds	5	3,000	5	3,000	0	0
San Gabriel Basin Restoration Fund	0	300	0	100	0	-200
Federal Lands Recreation Enhancement Act	0	250	0	250	0	0
San Joaquin River Restoration Fund	0	0	0	17,300	0	+17,300
Subtotal, Permanents and Other	423	116,351	423	114,267	0	-2,084
TOTAL, BUREAU OF RECLAMATION	**5,622**	**1,172,943**	**5,628**	**985,288**	**+6**	**-187,655**

BUREAU OF RECLAMATION
BUDGET OVERVIEW

Major Budget Trends:

- Reclamation's budget has increased by $$327.8 million or 42 percent over the last ten years in nominal dollars. In constant dollars this is an increase of 14 percent. Staffing measured by FTE has declined by 2.4 percent.

- Funding for Reclamation is largely based on the cost of authorized projects, which can vary significantly in a given year, due to new project starts, on-going construction projects, and construction projects that are nearing completion.

- Funding for Reclamation has fluctuated widely over the past few years. Funding in 1999 was $782 million, in 2002 it was $1.1 billion, and in 2005 it was $965 million. Funding in 2008 was $1.1 billion, and a $189.0 million decrease is proposed in 2009, mainly because of the large increase in the 2008 budget over 2007 (an additional $83 million) for projects and programs not requested by the Administration or requested at lower funding levels.

- Funding for construction of new water projects is very limited. In recent years, exceptions include Animas La Plata and Congressional add-ons for rural water projects.

2009 Budget:

Water and Related Resources — The 2009 request for Reclamation's principal operating account is $779.3 million, a decrease of $170.6 million from 2008 and $36.9 million below the 2008 President's Budget. The 2008 enacted level for Water and Related Resources was $71.9 million over the 2007 level, primarily increases for Rural Water, Title XVI, and other projects.

Typically, congress restores funding proposed for reduction in a number of programs, including Rural Water, Title XVI, investigations and studies, and for a number of specific projects such as Lewis and Clark.

The 2009 budget includes a new $31.9 million initiative to address water shortages in the West. Partnering with USGS, Reclamation, under the Water for America initiative, will perform watershed basin and other geographical planning studies; expand its challenge grant program, including recasting both its Water 2025 and Water Conservation Field Services programs to stimulate water conservation and improved water management through an integrated approach that addresses urban, rural, and agricultural uses of water; and implement measures to protect endangered species at high-risk watersheds in 12 States.

Maintaining emphasis on Reclamation's core mission of delivering water and power, the request includes the following:

- $50.0 million, a reduction of $10.6 million, for the Animas-La Plata project to continue implementation of the Colorado Ute Settlement Act. This funding will provide for completion of the Ridges Basin Dam, Durango pumping plant, and the Ridges Basin Inlet conduit, allowing for initiation of filling Lake Nighthorse.

- $26.9 million, substantially the same as in 2008, for the Central Arizona project, for continued construction of the Indian Community distribution systems, San Xavier farm extension, and San Carlos Apache distribution system. Other work activities include recreation development; native fish protection along the Gila and Santa Cruz Rivers; work on the New Mexico Unit; and work with Tucson area municipal entities on Tucson aqueduct reliability.

- $120.3 million for operating, managing, and improving California's Central Valley Project, a decrease of $5.1 million.

    - The CVP replacements, additions, and extraordinary maintenance program includes a total of $40.5 million, an increase of $5.0 million, for such items as replacement of a generator excitation system; refurbishment and overhaul of machinery; and stabilization and seismic upgrades for buildings at fish hatcheries. The CVP request also includes funding for the Trinity River restoration program; construction of screens; and mitigation of fish losses.

- $21.9 million for Endangered Species Act recovery implementation programs and $18.0 million for the Columbia/Snake Rivers Salmon Recovery program where $7.5 million is included for the Nez Perce Water Rights Settlement Agreement. The ESA recovery implementation program is being folded under the umbrella of the Water for America initiative.

- Klamath (not the same as the KBRA discussed under Key Points) is funded at $25.0 million, an increase of $400,000, which includes funding to initiate a basin-wide recovery plan. Key areas of focus include increasing surface and groundwater supplies; continuing a water bank; making improvements in fish passage and habitat; taking actions to improve water quality; developing a basin-wide recovery plan; and continuing coordination of Reclamation's Conservation Implementation program.

- Rural Water projects: The Administration typically requests funding for on-going projects; however Congress consistently provides significantly higher funding levels for those projects and funding for additional projects. Rural Water Projects are funded at $39.0 million, a decrease of $101.5 million. Funding levels are as follows:

    Mni Wiconi: $26.2 million
    Garrison Diversion Unit: $12.8 million (after removal of the non-rural water component)
    Mid-Dakota: $15,000 (for operations and maintenance)

- $91.3 million for Reclamation's Safety of Dams program, an increase of $15.5 million primarily to address corrective action at Folsom Dam (Folsom dam work is estimated to cost $50.0 million annually through 2014): including $71.5 million to initiate safety of dams corrective actions; $18.0 million for safety evaluations of existing dams and $1.3 million for the Department of Interior dam safety program.

- The Site Security request is $29.0 million, for site security to ensure the safety and security of the public, Reclamation's employees, and key facilities, a decrease of $6.0 million from 2008. The 2009 budget assumes that the annual costs associated with guard and patrol activities will

be treated as project operations and maintenance costs, subject to reimbursement based upon project cost allocations.

- The Yakima project and Yakima Basin enhancements are funded at $16.3 million, substantially the same as 2008. In addition to operation and maintenance of existing facilities, and the implementation of water conservation, this also funds fish and wildlife improvements and other measures authorized by the Yakima River Basin Water Enhancement Act.

- The budget proposes to re-allocate repayment of capital costs of the **Pick-Sloan Missouri Basin** program. Power customers would be responsible for repayment of all construction from which they benefit.

    - This change would increase reimbursements from power customers by $23.0 million in 2009 and in the out-years.

    - This proposal is consistent with GAO and OIG recommendations regarding the project's cost allocation.

    - The re-allocation will likely result in modest increases to power rates for Pick-Sloan customers, which could be phased in over time.

Central Valley Project Restoration Fund — The request for 2009 is $48.6 million that is offset by $48.3 million, the estimated level of collections from the CVP water and power users. The request reflects a legislative proposal that establishes the San Joaquin River Restoration Fund and redirects $7.5 million to this new fund. The CVPRF funds will be used for habitat restoration, improvement and acquisition, and other fish and wildlife restoration activities in the Central Valley Project area of California. There is also a reduction of $3.0 million due to the annual calculation of the rolling three-year average.

Policy and Administration — The request for 2009, which funds Reclamation's non-reimbursable management and administrative functions, is $59.4 million, an increase of $589,000 from 2008.

California Bay-Delta Restoration — The budget request for 2009 is $32.0 million pursuant to the CALFED Bay-Delta Authorization Act that was signed into law on October 25, 2004. This is substantially the same as 2008. A consortium of Federal and State agencies fund and participate in the CALFED program, focusing on the health of the ecosystem and improving water management and supplies. In addition, CALFED addresses the issues of water supply reliability, aging levees, and threatened water quality.

BUREAU OF RECLAMATION
SELECTED PROJECTS TABLE
(Dollars in Thousands)

APPROPRIATION: Water and Related Resources

	2007 Actual	2008 Enacted	2009 Request	Change from 2008
Animas-La Plata Project	63,420	60,639	50,000	-10,639
Central Arizona Project	27,203	27,138	26,850	-288
Central Valley Project	130,941	125,388	120,300	-5,088
Colorado-Big Thompson	15,195	11,502	13,292	+1,790
Colorado River Basin Salinity Control	22,652	20,922	19,155	-1,767
Colorado River Storage Project	10,201	10,513	6,623	-3,890
Columbia Basin Project	10,154	12,749	10,548	-2,201
Columbia/Snake River Salmon Recovery	17,325	14,760	18,000	+3,240
Dam Safety Program	69,003	75,768	91,250	+15,482
Endangered Species				
Recovery Implementation [1]	11,299	*[16,348]*	*[21,939]*	*[5,591]*
Klamath Project	24,750	24,600	25,000	+400
Lower Colorado River Operations Program	20,000	15,171	16,400	+1,229
Middle Rio Grande Project	27,620	38,918	22,700	-16,218
Native American Affairs	6,307	6,080	7,020	+940
Pick-Sloan Missouri Basin Program	41,850	40,311	40,740	+429
Rural Water Projects				
Fort Peck Reservation Dry Prairie	7,000	9,840	0	-9,840
Garrison Diversion Unit	27,600	67,896	22,106	-45,790
Lewis and Clark Rural Water	21,000	26,568	0	-26,568
Mid-Dakota Rural Water	15	15	15	0
Mni Wiconi Project	37,860	37,571	26,240	-11,331
North Central Montana Rural Water Supply	800	5,904	0	-5,904
Perkins County Rural Water Systems	200	2,952	0	-2,952
Less Non-Rural Water Component	-13,699	-10,188	-9,346	+842
Subtotal, Rural Water Projects	*[80,776]*	*[140,558]*	*[39,015]*	*[-101,543]*
Savage Rapids Dam	13,000	14,760	3,000	-11,760
Science and Technology Program	8,539	15,254	10,975	-4,279
Site Security	39,600	34,932	28,950	-5,982
Title XVI Water Reclamation/Reuse Projects	10,850	23,615	7,000	-16,615
Water 2025 [1]	14,500	5,929	0	-5,929
Water Conservation Field Services program [1]	7,221	6,510	*[4,000]*	*[-2,510]*
Water Security Initiative [1]	0	*[49,918]*	62,998	+13,080
Yakima Project/Basin Water Enhancement	20,641	8,334	8,503	+169
Yuma Area Projects	22,732	22,543	21,863	-680
Other Project/Programs	162,844	192,988	129,138	-63,850
Subtotal (without supplemental)	878,623	949,882	779,320	-170,562
Drought Supplemental	18,000	0	0	0
TOTAL APPROPRIATION	896,623	949,882	779,320	-170,562

[1] Base funding from these programs have been redirected to the Water Security initiative.

RECLAMATION
RURAL WATER
(DOLLARS IN MILLIONS)

Project*	State	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Request	Change from 2008
Ongoing								
Mni Wiconi	SD	28.8	28.2	29.3	37.9	37.6	26.2	-11.4
Mid-Dakota	SD	13.5	19.6	0.4	0.0	0.0	0.0	0.0
Garrison	ND	9.0	9.3	13.6	13.9	57.7	12.8	-44.9
Subtotal		**51.2**	**57.1**	**43.3**	**51.8**	**95.3**	**39.0**	**-56.3**
New Projects								
Fort Peck	MT	6.7	6.2	15.8	7.0	9.8	0.0	-9.8
Lewis & Clark	MN MN	15.3	12.1	17.3	21.0	26.6	0.0	-26.6
N/C Montana	MT	0.8	0.9	5.7	0.0	5.9	0.0	-5.9
Perkins	SD	0.9	2.0	0.9	0.0	2.9	0.0	-2.9
Rocky Boys	MT	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal		**23.7**	**21.2**	**39.8**	**28.0**	**45.2**	**0.0**	**-45.2**
Grand total		**74.9**	**78.2**	**83.1**	**79.8**	**140.5**	**39.0**	**-101.5**

* Figures only respresent the rural water components of these projects.

Key Points:

- **The 2009 Reclamation budget request funds two rural water projects for a total of $38.9 million, which is $102.6 million below the 2008 level. A total of $15,000 is provided for O&M at the Mid-Dakota project.**

- **This reduction results from decreased funding for Mni Wiconi, Garrison, Fort Peck Reservation/Dry Prairie Rural Water Systems, Lewis and Clark, N/C Montana and Perkins.**

- **During formulation of the 2009 budget, Reclamation developed and used a transparent set of criteria to guide their allocation of funding for rural water projects. The criteria included O&M as a first priority, based on Federal law and to protect the Federal Investment; on-reservation and off-reservation populations; and the percentage of project completed. Consistent with prior year budget requests and using the criteria above, only ongoing projects are funded due to the constrained funding environment.**

Background:

Since the early 1980's, Congress has directed Reclamation to develop 13 independently authorized, single-purpose municipal and industrial water supply projects for rural communities throughout the West. As part of development of the 2004 budget, Reclamation participated in two performance assessments – PART and a review to develop a set of common performance measures for all

Federal agencies that play a role in delivering water to rural areas. Both assessments found shortcomings in Reclamation's involvement in rural water projects, mainly due to the lack of a formal rural water program.

Budget Trends:
In recent years Congress has added significant amounts of funding above the President's request for both ongoing and new rural water systems. Historically, the budget request for rural water projects primarily recommended funding only for ongoing rural water projects pending the enactment of legislation to establish a formal Reclamation rural water program. On December 22, 2006, the President signed the Rural Water Supply Act that established a formal Reclamation rural water program and addressed the key recommendations of the 2003 PART review conducted on the rural water program. Implementation of the Act will allow the Department, the Administration, and Congress to set priorities and establish clear guidelines for project development to help meet the water supply needs of rural communities throughout the West. These requirements are under development and are expected to be published in 2008.

2008 Budget:
The 2008 appropriations funded rural water projects at $140.5 million, which was $60.7 million above the 2007 enacted level (figures do not include the non-rural water components of the Garrison Diversion Unit project). The projects were funded at the following levels.

- Mni Wiconi: $37.6 million
- Garrison: $58.7 million
- Fort Peck: $9.8 million
- Lewis and Clark: $26.6 million
- N/C Montana: $5.9 million
- Perkins: $2.9 million

2009 Budget:
The 2009 request for rural water projects include the following:

- $26.2 million for Mni Wiconi to complete the construction of the project's core pipeline system for conveying treated Missouri River Water and to continue the cooperative agreements with the Indian sponsors of the Mni Wiconi Project for the operation and routine maintenance of new and existing systems.

- $12.8 million for Garrison to continue oversight of preconstruction and construction activities on approved state, municipal, rural, industrial and Tribal systems.

RECLAMATION
SAFETY OF DAMS
(DOLLARS IN MILLIONS)

	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Request	Change from 2008
Dept. Dam Safety Program	1.7	1.6	1.5	1.5	1.4	1.3	-0.1
Initiate SOD Corrective Actions	37.9	37.0	42.2	49.2	56.2	71.5	15.3
Safety Evaluation of Existing Dams	17.5	17.6	17.5	18.3	18.2	18.5	0.3
Safety of Dams Corrective Action Studies *	0.5	0.5	0.1	0.0	0.0	0.0	0.0
Total	**57.6**	**56.7**	**61.3**	**69.0**	**75.8**	**91.3**	**15.5**

* Beginning in 2007, the Safety of Dams Corrective Action Studies was folded into Initiate SOD Corrective Actions.

Key Points:

- **The 2009 Reclamation budget requests $91.3 million for Reclamation's Safety of Dams program, an increase of $15.5 million primarily to address corrective action at Folsom Dam: including $71.5 million to initiate safety of dams corrective actions; $18.5 million for safety evaluations of existing dams and $1.3 million for the Department of Interior dam safety program.**

Background:

Reclamation has reservoirs impounded by 479 dams and dikes. Of these structures, 375 dams and dikes would likely cause loss of life if they were to fail. These structures form the core of Reclamation's SOD program. Approximately 50 percent of Reclamation's dams were built between 1900 and 1950, and approximately 90 percent of Reclamation's dams were built before state-of-the-art design and construction practices.

This program provides funding for the Safety of Dams Evaluation and Modification program, which identifies and evaluates SOD issues at Reclamation dams and implements modifications to reduce associated risks to the public. The request continues dam safety risk management and risk reduction activities throughout reclamation's inventory of high and significant hazard dams. The program continues ongoing safety of dams modifications activities at several Reclamation dams.

By far, Folsom dam is Reclamation's highest priority Dam Safety risk reduction activity as well as its costliest. SOD activities at Folsom are estimated to cost over $400 million and are not expected to be completed until 2019. It is expected that approximately $50 million will be needed each year until completion for Folsom alone.

Through this program Reclamation also manages the DOI Dam Safety program which includes facilitation and guidance to other Interior Bureaus for their Dam Safety programs

Budget Trends:
In recent years, recognizing the increasing needs created by an increasingly aging infrastructure, Congress has steadily added to this program, and, beginning in 2007 has added significant amounts

to cover the cost of the Folsom work, without which other major dam work would have to be severely curtailed.

2008 Budget:
The 2008 appropriations funded SOD at $75.8 million, which was $6.8 million above the 2007 enacted level. Projects with funding of at least $1.0 million are listed below:

- Folsom Dam (CA): $40.8 million
- A.V. Watkins (UT): $6.4 million
- Stony Gorge Dam (CA): $1.3 million
- Deer Flat (ID): $1.0 million
- Deer Creek (UT): $1.8 million
- Scofield Dam Spillway (UT): $1.0 million
- Whiskeytown Dam (CA): $1.1 million

2009 Budget:
The 2009 request for SOD projects include the following projects with funding of at least $500,000:

- Folsom Dam (CA): $49.0 million
- A.V. Watkins (UT): $18.0
- Stony Gorge Dam (CA): $1.3 million
- Deer Flat (ID): $0.6 million
- Deer Creek (UT): $0.6 million
- Scofield Dam Spillway (UT): $0.5 million
- Whiskeytown Dam (CA): $0.5 million

RECLAMATION

REPLACEMENTS, ADDITIONS, AND EXTRAORDINARY MAINTENANCE

(DOLLARS IN MILLIONS)

	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Request	Change from 2008
Replacements, Additions, and Extraordinary Maintenance (RAX	53.3	69.8	48.2	43.7	35.5	40.5	5.0

Key Points:

- **The 2009 Reclamation budget requests $40.5 million for its RAX program.**

Background:

This program is part of Reclamation's overall Asset Management Strategy that relies on condition assessments, condition/performance metrics, technological research and deployment and strategic collaboration to continue to improve the management of its assets. RAX is an essential component to Reclamation's mission objectives of operating and maintaining projects to ensure delivery of water and power benefits.

Budget Trends:
As funding requests are project specific, there has been no particular trend in recent years. Reclamation has generally received close to or its actual request level.

2008 Budget:
The 2008 allocation of RAX funding by region is shown below:

- Pacific Northwest: $8.6 million
- Mid-Pacific: $19.1 million
- Lower Colorado: $411,000
- Upper Colorado: $475,000
- Great Plains: $6.9 million

2009 Budget:
The 2009 allocation of the RAX funding request by region is shown below:

- Pacific Northwest: $6.3 million
- Mid-Pacific: $24.1 million
- Lower Colorado: $0
- Upper Colorado: $374,000
- Great Plains: $9.8 million

RECLAMATION
LOAN GUARANTEE PROGRAM
(DOLLARS IN MILLIONS)

	2008 Enacted	2009 Request	Change from 2008
Loan Gurantee Program	1.0	0.0	-1.0

Key Points:

- **The 2009 Reclamation budget does not request any funding for the Loan Guarantee program.**

Background:

Legislation (authored by Senators Domenici and Bingaman and supported by the Administration) authorizing the Secretary of the Interior to issue loan guarantees to assist in financing (a) rural water supply projects, (b) extraordinary maintenance and rehabilitation of Bureau of Reclamation project facilities, and (c) improvements to infrastructure directly related to Reclamation projects was signed into law on December 22, 2006 (Title II of the Rural Water Supply Act, P.L. 109-451).

Title I of the Act requires Reclamation to promulgate three sets of programmatic criteria, including: (1) prioritization and eligibility criteria; (2) criteria for evaluating appraisal investigations; and (3) criteria for evaluating feasibility studies.

A proposed rule for item (1) has cleared OMB and has been published for public comments. The comment period is 30 days.

Due to the timeframe for developing and publishing the rule no funds are requested in 2009.

Current Status:

A draft proposed rule covering items (2) and (3) is with the Office of Management and Budget for review.

RECLAMATION

CENTRAL VALLEY PROJECT RESTORATION FUND

(DOLLARS IN MILLIONS)

	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Request	Change from 2008
Cental Valley Project Restoration Fund	39.5	54.6	52.1	52.2	59.1	56.1	-3.0
CVPRF Offset	-30.8	-46.3	-43.9	-32.9	-51.3	-48.3	3.0

Key Points:

- **The 2009 Reclamation budget requests $56.1 million for the CVPRF. This requested amount is reduced to $48.6 million due to proposed legislation that will redirect $7.5 million to the San Joaquin River Restoration Fund.**
  - **This funding is derived from project beneficiaries and from donations.**
  - **The request of $48.6 million is expected to be offset by discretionary receipts totaling $48.3 million, the maximum amount that can be collected from project beneficiaries under provisions of the originating Act. The discretionary receipts are adjusted on an annual basis to maintain payments totaling $30 million (October 1992 price levels) on a three-year rolling average basis.**

Background:

This program funds a varicty of activities to restore fish and wildlife habitat and populations in the Central Valley Project area of California. These activities include: acquiring water for anadromous fish and other environmental purposes; providing for long-term water deliveries to wildlife refuges; continuing the anadromous fish restoration with the goal of doubling their natural productions; monitoring the effectiveness of restoration actions; acquiring fee title or conservation easements to facilitate better management; restoring land to improve wildlife habitat; conserve water, and reduce drainage; and continuing funding for fish screens on diversions along the Sacramento River.

Extensive coordination and cooperation between the Fish and Wildlife Service and Reclamation, in conjunction with the Restoration Fund Roundtable, continues to help ensure efficient and effective implementation of the Act. The RFR includes Central Valley water users, hydropower representatives, and other stakeholders.

The legislative proposal referenced above, known as the Friant proposal, has been requested for several years, but has yet to be enacted.

Budget Trends:

Since FY 2005, the budget has remained in the low $50 millions to nearly $60 million. Reclamation has generally received close to or its actual request level.

RECLAMATION
ANIMAS-LA PLATA
(DOLLARS IN MILLIONS)

	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Request	Change from 2008
Animas-La Plata	52.0	52.0	55.4	63.4	60.6	50.0	-10.6

Key Points:

- **The 2009 Reclamation budget requests $50.0 million for Animas-La Plata.**

Background:

Animas-La Plata is one of the last remaining large construction projects authorized for Reclamation. The 2009 funding request will allow for the completion of construction of Ridges Basin Dam, Durango Pumping Plant, and Ridges Basin Inlet Conduit. It will allow for the initiation of testing on Durango Pumping Plant and Ridges Basin Inlet Conduit, thereby enabling the initial filling of Lake Nighthorse to begin. This funding level will allow construction activities on the Navajo Nation Municipal Pipeline, County Road 211 relocation, and other relocations to continue. This request includes operation and maintenance of improvements to wetland and wildlife mitigation lands associated the Project.

The Project schedule was revised in January 2008 based on the 2008 enacted amount and the requested amount of $50.0 million for 2009. The revised schedule calls for construction completion, including filling of the reservoir, in the winter of 2012, with project closeout in 2013. This revised schedule lengthens the original construction schedule (set in 2003) by approximately 12 to 18 months. The most significant delay is delivering water to the Navajo Nation at Shiprock, which was delayed approximately 21 months. However, Reclamation broke ground on the $60 million pipeline project in October of 2008. Completion date for the Navajo Nation Municipal Pipeline is 2012.

Budget Trends:

Budgeting has consistently been in the $50 million to $60 million range. Congress has consistently funded A-LP at close to or higher than the actual request level.

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CENTRAL UTAH PROJECT COMPLETION ACT
BUREAU OVERVIEW
(Dollars in millions)

	2006	2007	2008 Enacted	2009 CR	2009 Request	Change From 2008 Enacted
Current	34.0	34.0	43.0	43.0	42.0	-1.0
Permanent	6.6	5.7	8.6	0.0	0.0	-8.6
Total	40.6	39.7	51.6	43.0	42.0	-9.6
FTE	10	10	10	10	12	2

Bureau Profile:
The Central Utah Project (CUP) was originally authorized in 1956 as a participating project of the Colorado River Storage Project. The CUP was planned by the Bureau of Reclamation (Reclamation), and construction began on the project in 1966. For convenience, the CUP was originally divided into six units. The Bonneville Unit was the largest and last of the CUP units to be established. Reclamation continued the planning and construction of the CUP until October 30, 1992, when the Central Utah Project Completion Act (CUPCA), Public Law 102-575, was enacted.

The CUPCA provides for the orderly completion of the CUP by increasing the appropriations ceiling and authorizing features and measures for the delivery of water for municipal, industrial, and irrigation purposes; water conservation; wildlife mitigation; and instream flows. The CUPCA also provides for cost-sharing of project costs, establishes a water conservation program, allows local entities to construct project features, and requires compliance with environmental laws. The CUPCA established a partnership arrangement among the Department of the Interior (Interior), the Central Utah Water Conservancy District (CUWCD), the Utah Reclamation Mitigation and Conservation Commission (Mitigation Commission), and Ute Indian Tribe. The CUWCD was given the responsibility for completion of the water conveyance facilities, and the Mitigation Commission was tasked with completing the environmental mitigation, including overseeing implementation of related fish, wildlife, and recreation mitigation and conservation activities,. To implement CUPCA, the Department established a small office in Provo, Utah, (CUPCA Office) under the direction of the Assistant Secretary – Water and Science, to oversee the completion of the project and the activities of the CUWCD, the Mitigation Commission, and the Ute Indian Tribe.

Water Project Construction:
The Central Utah Project Completion Act provides for completion of the Central Utah Project by the Central Utah Water Conservancy District. This includes construction of a system to deliver water to the Utah Lake drainage basin and the Uinta Basin Replacement Project. In addition, the Act authorizes funding for programs to improve water management and conservation and for fish, wildlife, and recreation mitigation and conservation; and establishes the Utah Reclamation Mitigation and Conservation Commission to coordinate the implementation of mitigation and conservation activities.

Mitigation Commission:
The heart of the Commission's program is mitigation for the Provo River/Utah Lake, Strawberry/Duchesne, Diamond Fork, Great Salt Lake and Jordan River Watersheds.

Legislative Issues:
None.

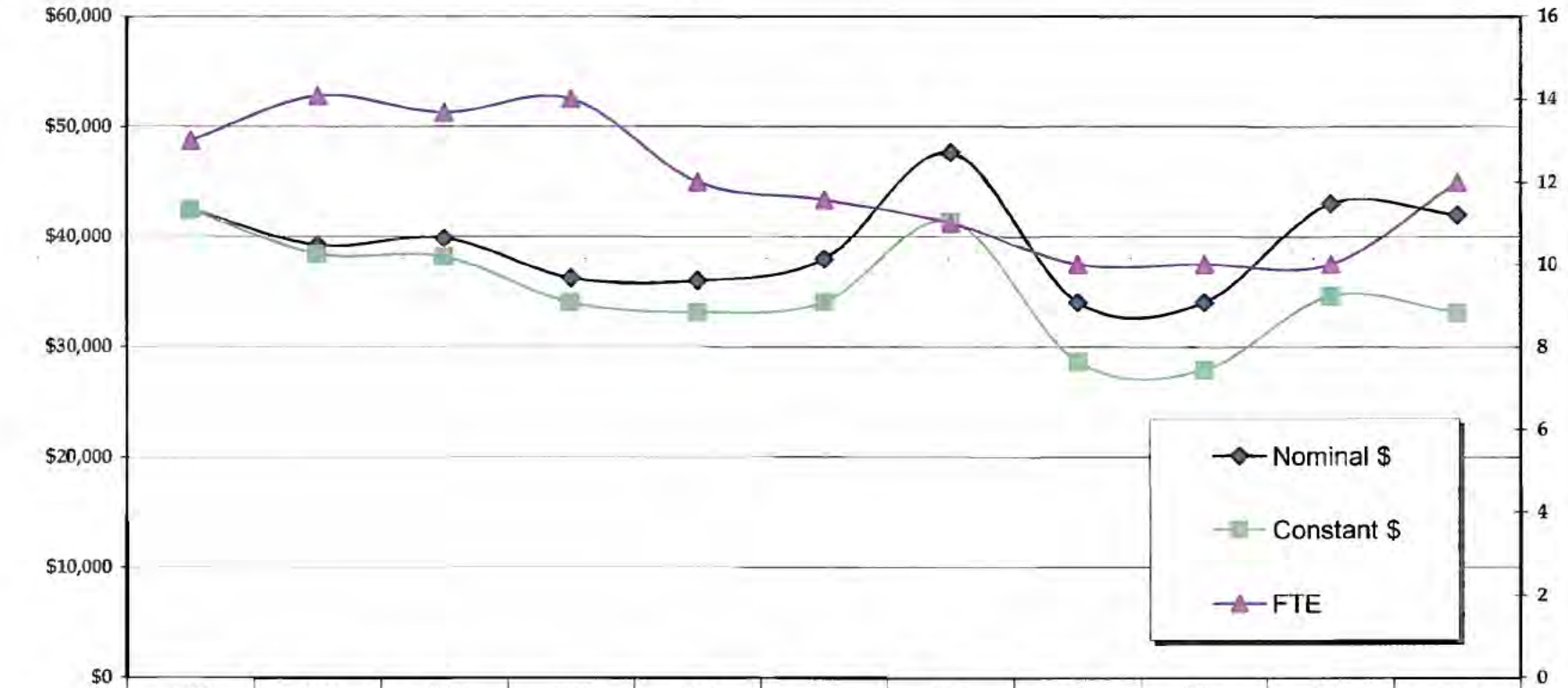
Strategic Plan:
Resource Protection – Sustain biological communities on DOI managed and influenced lands and waters in a manner consistent with obligations and State law regarding the allocation and use of water.

Resource Use – Deliver water consistent with applicable Federal and State law, in an environmentally responsible and cost efficient manner.

Current Issues:
In 2005 a general agreement was made with OMB to gradually increase CUPCA's funding until it reached $54.0 million in 2014, where it would remain stable until the anticipated project completion date, scheduled for 2021. The 2009 funding does not keep pace, thereby increasing the need for greater increases by 2014 or after in order to remain on schedule.

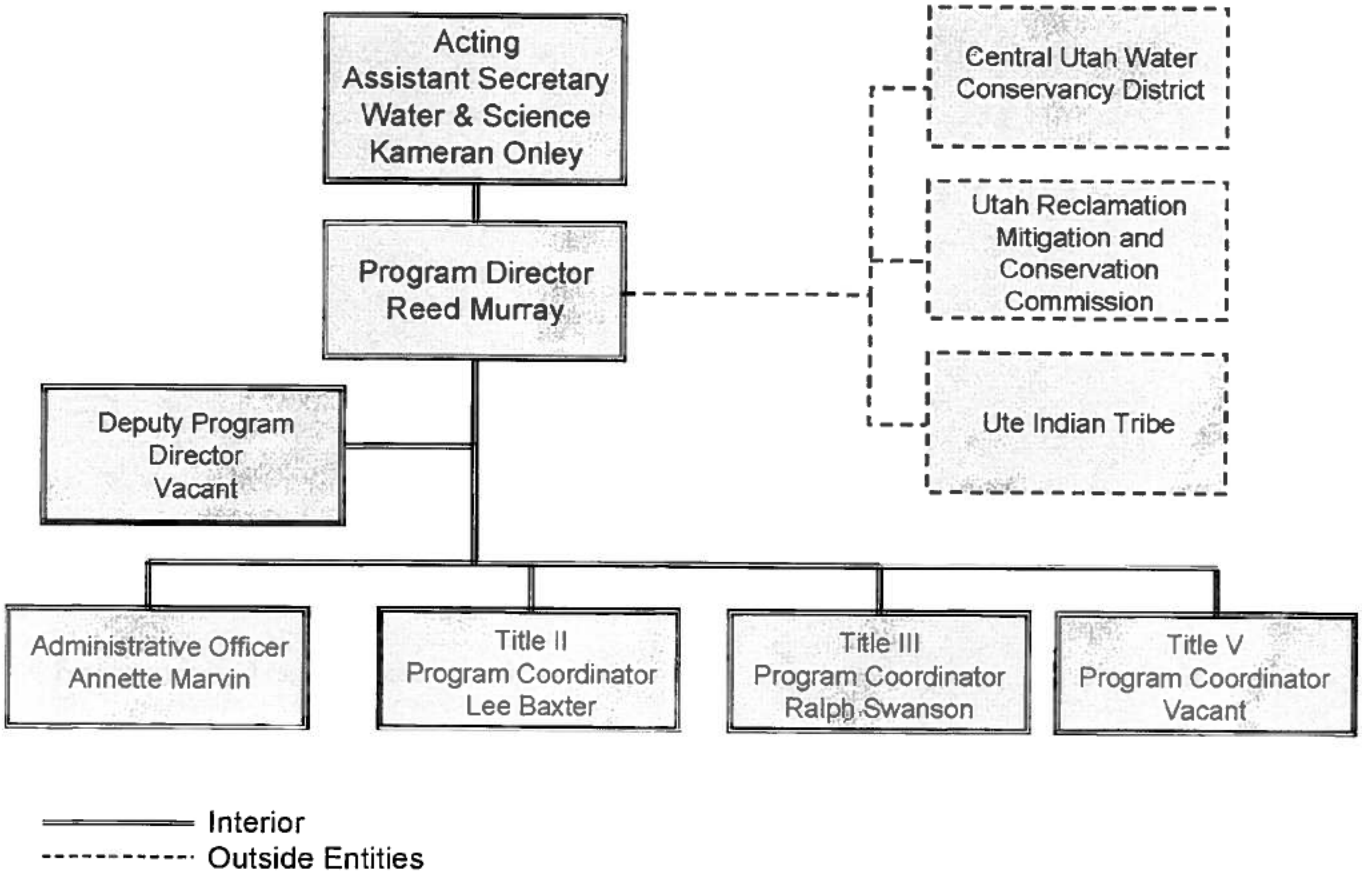
Central Utah Project
Current Authority

Dollars in Millions



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	42,500	39,233	39,861	36,228	35,993	37,966	47,625	34,007	34,020	43,000	42,000
Constant $	42,500	38,456	38,171	34,040	33,149	34,079	41,421	28,630	27,893	34,588	33,115
FTE	13	14	14	14	12	12	11	10	10	10	12

Central Utah Project Completion Act



CUPCA Program Area

Geographic Boundaries by County*

Utah Counties

* CUPCA also provides funding for mitigation measures to Utah's adjoining states.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Central Utah Project Completion Account	5	42,024	5	41,013	0	-1,011
Utah Reclamation Mitigation and Conservation	0	976	0	987	0	+11
Subtotal, Appropriations	5	43,000	5	42,000	0	-1,000
Permanents and Trusts						
Utah Reclamation Mitigation and Conservation	12	0	12	0	0	0
Subtotal, Permanents and Trusts	12	0	12	0	0	0
TOTAL, CENTRAL UTAH PROJECT	**17**	**43,000**	**17**	**42,000**	**0**	**-1,000**

CENTRAL UTAH PROJECT COMPLETION ACT
BUDGET OVERVIEW

Major Budget Trends:

- CUPCA's budget increased by $500,000 or 1.2 percent over the last ten years in nominal dollars. In constant dollars, this is a decrease of $7.9 million. Staffing measured in FTE has declined by three or 23 percent.

- With the exception of a couple of recent years, the CUPCA budget has been relatively flat, hovering around the $40 million level. In 2005 OMB and the Department informally agreed to gradually increase CUPCA's funding until it reached $54.0 million in 2014, where it would remain stable until the project completion date, scheduled for 2021. The 2009 funding does not keep pace, thereby increasing the need for greater increases by 2014 or after in order to remain on schedule.

2009 Budget:

- The FY 2009 request is $42.0 million, $1.0 million below the FY 2008 level. The funding level, if maintained in the out years, could adversely affect the project completion date of 2021.

- The FY 2009 request includes $38.3 million for use for use by the Central Utah Water Conservancy District, including $29.4 million to continue construction on the Utah Lake System; $3.4 million to continue construction on the Uinta Basin Replacement project; and $4.0 million to implement approved water management improvement projects.

- Of this request, $987,000 will be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Mitigation Commission.

- The 2009 CUPCA budget request assumes that the Western Area Power Administration receives its 2009 budget request of $7.4 million so that WAPA can make its annual payment to the Mitigation Commission.

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UNITED STATES GEOLOGICAL SURVEY
BUREAU OVERVIEW
(dollars in millions)

USGS	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	965.3	988.1	1,006.5	1,006.5	968.5	-38.0
Permanent	2.5	9.0	1.2	0.7	0.7	-0.5
Total	967.8	997.0	1,007.7	1,007.2	969.2	-38.5
FTE	8,578	8,368	8,355	8,355	8,022	-333.0

Bureau Profile

- The USGS serves the Nation by providing reliable scientific information and geospatial data to describe and understand the Earth; minimize loss of life and property from natural disasters; manage water, biological, energy, and mineral resources; and enhance and protect our quality of life.

- The USGS is the Nation's primary provider of science information and geospatial data related to natural hazards; the environment; and energy, mineral, water, and biological resources. This information helps others manage, develop, and protect America's energy, mineral, water, and biological resources.

- The USGS supplies the scientific information needed to make sound decisions to minimize or mitigate the effects of natural hazards. The USGS has the primary Federal responsibility for monitoring and issuing warnings for earthquakes, volcanoes, landslides, and geomagnetic (solar) storms. The USGS works closely with the National Weather Service in providing the hydrologic information used to forecast floods.

- The USGS has cooperative programs with States in geologic, water, and biological resources, and in geospatial information, which enhance the leveraging of Federal appropriations with State matching funds. Data and information are integrated and made available in the public domain to scientists, partners, and the public through internet access to national geospatial databases.

Legislative Issues

- The USGS is requesting that their appropriation language be modified so that funding for satellite operations and deferred maintenance and capital improvements is available until expended and the remaining appropriation is available for two years.

- The USGS would like to establish a component, within the National Cooperative Geologic Mapping Program, to conduct regional geologic mapping such as that proposed in the Water for America Initiative. This sub-program would be separate from the requirements outlined in the National Cooperative Geologic Mapping Act (Act) which established the FEDMAP,

STATEMAP, and EDMAP components of the program. A review of the Act is on-going to see if a language change in the reauthorization of the Act is necessary or if a change in the program name and structure will allow for establishing this component.

- The USGS requests the authority, similar to that of the National Park Service, to protect the exact location of endangered and threatened species and resources. Habitat and species models would be improved with more exact information on location. Currently, USGS does not obtain exact locations from some partners because it would have to be made available to the public. This authority would allow USGS to maintain the same level of protection to the data as that of the partnering organization and would allow USGS to use this finer resolution information in producing products but would protect the location by providing only county level information when requested.

- The USGS is seeking expanded authorization to enter into reimbursable or cooperative agreements, and to receive and expend funds made available by any State or territory, Federal agency, or public or private organization, for the purpose of conducting surveys, investigations, research, or mapping activities, and for the preparation and publication of science research results.

- The USGS requests authorization to allow the Great Lakes Commission and the Great Lakes Fishery Commission, two very important USGS partners, to construct a building on USGS land which would be attached to the main building of the USGS Great Lakes Science Center in Ann Arbor, Michigan.

Strategic Plan

- Science lies at the foundation of Interior's programs. USGS programmatic outcomes directly contribute to the Resource Protection, Resource Use, and Serving Communities mission areas and indirectly as a byproduct support Recreation goals. USGS goals are designed to improve the understanding of:
  - Resource Protection in national ecosystems and resources through Enterprise Information's National Geospatial Program, Biology, Geography, Geology, and Water Resources science programs;
  - Resource Use of energy and mineral resources through Geology's Energy and Mineral Resources science programs; and
  - Serving Communities in natural hazards through Geology's Hazards science programs.

Current Issues

- The growing demand for energy is increasing the need for alternative energy and reliable sources of minerals and energy. USGS will respond to this need by expanding energy and mineral resource information, assessment, and research activities to perform integrated analyses of multiple earth resources. By integrating resource assessments for decision-making and leverage capabilities to respond to a broad array of resource issues, USGS will provide a more comprehensive understanding of new energy and mineral resources and potential impacts of their development.

- It is generally thought that global warming trends over the last 100 years that have accelerated in the last 40 years will produce significant global changes affecting water supplies, plant and animal life, human infrastructure, and ecosystems on diverse landscapes. USGS climate change work will provide critical science, monitoring, and predictive modeling of information related to our changing climate and its effects on the landscape and the Nation's resources. The knowledge and information that result from this program will help policymakers, resource managers, and citizens make informed decisions about the management of the landscapes for which they have responsibility and on which they live.

- The National Geospatial Program is an integrated approach to national geospatial coordination and standards, data discovery and access, and consistent and current framework data. The data, combining Federal, State, and local information, provides a seamless, up-to-date mapping framework for multiple needs, including updating and maintaining the nation's topographic maps. USGS partnerships with Federal, State, and local entities advance the National Spatial Data Infrastructure and provide current geospatial data to policy-makers, national and local emergency support teams, and the general public through Geospatial One-Stop, Google Earth, Virtual Earth, and other access tools.

- The USGS proposes realigning the National Geospatial Program with the Geography Discipline, moving it from Enterprise Information. This realignment will allow the USGS to gain efficiencies, promote geographic research, leverage emerging remote sensing technologies, and focus the USGS geography programs on addressing important societal issues identified in the USGS Science Strategy. The 2009 budget provides $69.1 million for the National Geospatial Program. The other activities in Geography are Land Remote Sensing, $61.5 million, and Geographic Analysis and Monitoring, $16.3 million in 2009.

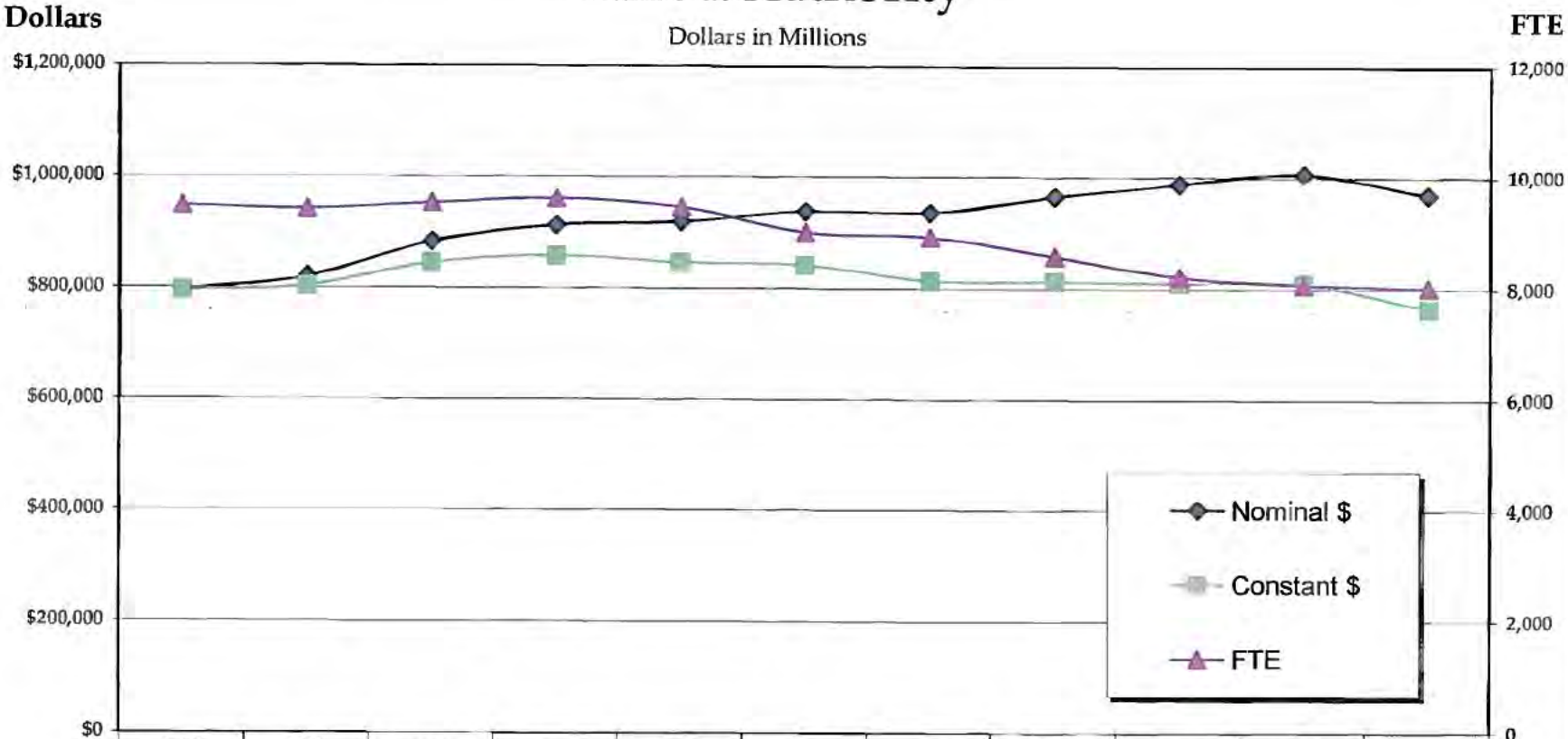
- The Imagery for the Nation (IFTN) initiative is being developed collaboratively by the Federal Geographic Data Committee (FGDC). Chaired by the Secretary of the Interior, the FGDC has members from 27 Departments and independent agencies within the Federal government. In 2006, the National States Geospatial Information Council (NSGIC) asked the FGDC to review its plans for IFTN: to create a cost effective program for acquiring 1-meter, 1-ft, and 6-in resolution imagery on a recurring basis. In response to the NSGIC proposal, FGDC directed the USGS and FSA to develop a cost benefit analysis, and in the spring of 2008 embarked on a more comprehensive review of the proposal with the ultimate aim of completing a fully-vetted, long-term plan. Interior and the USDA are proposing to formalize their relationship for 1-meter imagery coverage with DOI contributing to imagery acquisition over the DOI public lands. This relationship will allow enhanced frequency and coordination in the acquisition of this imagery.

- The overall goal of Ecosystem Science is to provide integrated science support for adaptive management of terrestrial and aquatic ecosystems and nanotechnology. Studies focus on developing the tools and methods needed to prevent and manage disease in free-ranging wildlife and to evaluate the effects of disease on wildlife populations. Imperiled species research focuses on identifying factors responsible for the decline of threatened and endangered species populations, and assisting in the development of management plans and methods to restore depleted populations and to prevent further declines.

- Because the availability of adequate quantities of suitable water is crucial to the Nation's human population, economy, and environment, the USGS will conduct a Water Census of the U.S. to provide citizens, communities, natural-resource managers, and policymakers with a clear knowledge of the status of their water resources, data on trends in water availability an use over recent decades, and an improved ability to forecast the availability of freshwater for future human, economic, and environmental uses.

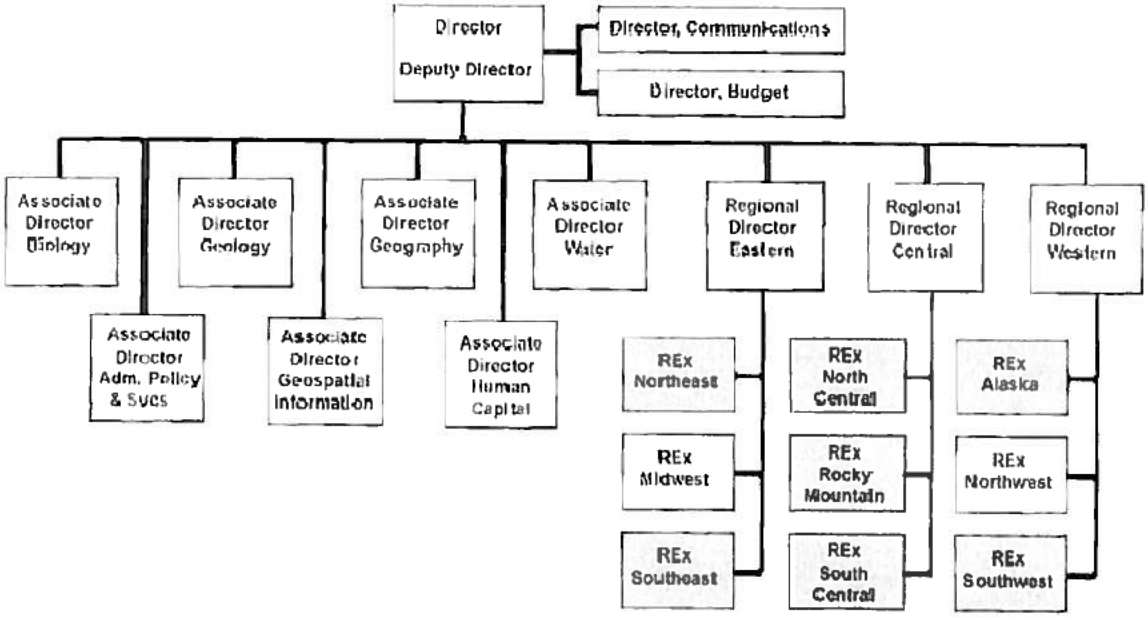
- The overall Facility Condition Index for USGS owned assets is poor, and the deferred maintenance backlog is $65 million. For some buildings, there are deficiencies ranging from severe overcrowding, which presents fire safety conditions, to long-term health and safety issues that in some instances have been so extensive as to warrant the relocation of laboratory operations and scientists and support staff to distant facilities. Facility deficiencies not only can increase building operations and maintenance costs but also can significantly degrade the quality and efficiency of science activities.

U.S. Geological Service
Current Authority



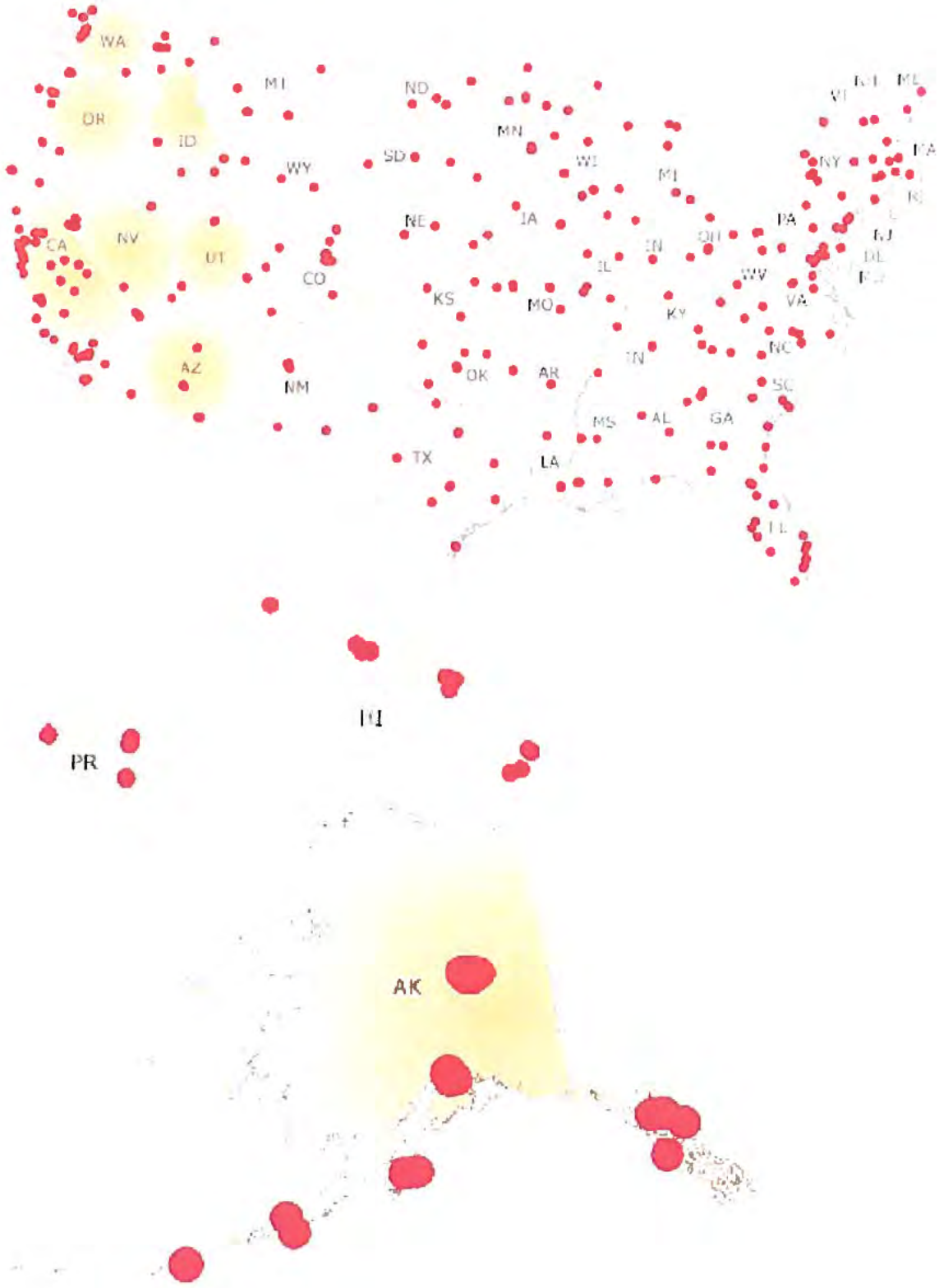
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	796,241	819,883	882,800	913,086	919,273	937,984	935,464	965,345	988,050	1,006,480	968,516
Constant $	796,241	803,649	845,370	857,944	846,633	841,952	813,613	812,704	810,110	809,578	763,626
FTE	9,482	9,417	9,527	9,611	9,448	9,002	8,920	8,578	8,217	8,078	8,022

U.S. Geological Survey



USGS Regional Structure

USGS LAB LOCATIONS



USGS Statistics

- The total annual budget of the U.S. Geological Survey is $1,006 billion.
- The total number of GSA buildings used by the USGS is 181.
- The amount of GSA space in square feet occupied by the USGS is 4.2 million.
- The number of USGS-owned buildings maintained is 263.
- The number of USGS-owned installations as geographic areas is 34.
- The amount of space in square feet of USGS-owned installations is 1.2 million.
- The number of USGS Water Resources Research Institutes is 54.
- The number of USGS Cooperative Research Units is 40.
- The number of USGS Science Centers is 67.
- The number of USGS employee and family housing units is 17.
- The total number of USGS employees is 8,730.
- The total number of USGS FTE is 8,022.
- The total number of earthquake monitoring global seismographic network stations maintained by the USGS (of 150 total including affiliates) is 99.
- The cumulative number of modem digital earthquake sensors installed by the USGS is 805.
- The number of volcanoes monitored by the USGS is 52.
- The number of streamgages and water quality monitors that are maintained by the USGS is 7,000.
- The number of real-time streamgages available on-line is 6,936.
- The total number of USGS geomagnetic observatories is 14.
- There are more than 55,000 hard-copy topographic maps at 1:24,000-scale produced by the USGS.
- The USGS has provided global imagery for 37 years.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Surveys, Investigations, and Research	5,462	1,006,480	5,176	968,516	-286	-37,964
Permanents and Other						
Operations and Maintenance of Quarters	0	82	0	84	0	+2
Contributed Funds	0	1,095	0	615	0	-480
Working Capital Fund	152	0	152	0	0	0
Subtotal, Permanents and Other	152	1,177	152	699	0	-478
Transfers and Reimbursables	2,694	0	2,694	0	0	0
TOTAL, U. S. GEOLOGICAL SURVEY	**8,308**	**1,007,657**	**8,022**	**969,215**	**-286**	**-38,442**

UNITED STATES GEOLOGICAL SURVEY
BUDGET OVERVIEW
(dollars in millions)

Major Budget Trends:

- In the period from 1993 through 1995, USGS experienced erosion in its science programs due to the absorption of fixed costs and slow attrition rates that eventually forced USGS to conduct a Reduction in Force in August 1995.

- In 1996, Congress transferred the National Biological Service's resources to the USGS, which became its Biological Resources Division. In the process of transferring NBS resources to USGS, Congress reduced the budget for biological research down to $136.8 million; a $25 million decrease from the 1995 level of $162 million.

- Since FY 2000, the President's Budget has proposed significant reductions within various USGS programs. Reductions were first proposed in the Water Resources Program, and then in the National Mapping Program, and since 2004 the Mineral Resources Program. Congress has, to date, restored the full level of most proposed program reductions.

- The USGS has taken a hard look at the programs slated for significant reduction and elimination and has made changes when necessary, such as the 2004 restructure within the geography program to better provide the mapping services and products needed today and in the future.

- OMB has rated all USGS programs as either "moderately effective" or "effective" in their PART reviews, USGS has PART action plans for each program that ensure improved performance and program effectiveness.

- In 2007, the USGS proposed a new multi-hazards demonstration project to demonstrate how integrating information and products about multiple hazards improves the usefulness of this information in reducing loss of life and property from natural hazards. Congress provided an increase of $2.1 million for work in Southern California.

- Funding for the Landsat Data Continuity Mission was increased by $16.0 million in 2007 to $40.0 million. This funding is needed to stay on schedule with deployment of ground systems and flight operations systems.

- Congress provided 2008 USGS budget increases of $7.5 million for Global Change, $4.7 million for maintenance at the Patuxent Wildlife Research Refuge, restored the Minerals Program to $50.8 million, provided $1.0 million for the Water Resources Research Institutes, and provided $7.4 million for a global change activity. Other increases above the President's budget include $3.3 million for research on Avian Influenza, $2.4 million for the Integrated Multi-Hazards Demonstration Project, $2.0 million for the Ocean Action Plan, and $1.5 million for the Healthy Lands Initiative.

2009 Budget:

- The 2009 budget for the USGS totals $968.5 million, $38.0 million below the robust level of the 2008 enacted budget and $6.4 million below the 2008 President's Budget.

- The 2009 budget provides $15.0 million for fixed costs. The USGS will absorb an additional $3.2 million in fixed cost increases.

- The 2009 budget proposes a $3.3 million reduction in travel and relocation costs.

Operations:

- The 2009 budget includes increases of $19.7 million for Secretarial Initiatives but also contains significant reductions to base programs and the elimination of Congressional earmarks.
  - **Ocean and Coastal Frontiers --** The USGS budget includes an additional $7.0 million as part of the $7.9 million Ocean and Coastal Frontiers initiative, which integrates the actions of Interior bureaus to address priority activities in support of the President's Ocean Action Plan. The initiative includes $4.0 million to conduct the geologic assessment activities that are needed for the United States to make a claim to the Extended Continental Shelf. The 2009 program will focus on the Arctic Ocean.

    This initiative also includes $2.0 million for science research to be conducted by USGS, which will support strong regional partnerships for oceans and coastal resource conservation, and will be associated with the President's near-term Ocean Research Priorities Plan (ORPP). Specific regional studies concerning the highest priority regional oceans and coastal science issues, such as the Gulf Coast, Long Island, the Great Lakes, the San Francisco Bay Delta, and the Puget Sound areas, are candidate projects for selection.

  - **Water for America --** As part of the $21.3 million Water for America Initiative, the USGS budget includes an increase of $8.2 million for a range of actions that will significantly improve our understanding and knowledge about the Nation's water resources. These funds will be used to initiate a nationwide water census that will integrate surface and groundwater information, provide improved measurement and analysis of water resources, and modernize the Nation's 7,000 streamgages with real time telemetry.

  - **Birds Forever --** The USGS' Breeding Bird Survey (BBS) provides the most geographically extensive and scientifically based estimation of bird population status and trends in North America. As part of the $9.0 million Birds Forever Initiative, the USGS budget includes an additional $1.0 million to increase monitoring and surveillance of migratory birds. The USGS will expand both the number of migration routes surveyed annually and the geographic scope of the BBS into Mexico.

  - **Healthy Lands --** As part of $14.0 million Healthy Lands Initiative, the USGS budget includes an additional $3.5 million to conduct ecological assessments in new areas and to develop a baseline of scientific information related to wildlife habitat and development activities occurring or planned for these areas. Scientific tools developed during 2008

will be applied to the new study areas as initial steps in assisting land management agencies to determine best management practices that will meet the needs of multiple stakeholders.

- **National Land Imaging Program --** The 2009 budget includes an increase of $2.0 million to initiate the planning and design for the National Land Imaging Program, and to develop the partnership efforts for an operational program of moderate-resolution satellite imagery data collection of the Earth's land surfaces. The USGS will lead this initiative, with shared responsibility among the other land imaging users, and will establish a coordination office to assess and integrate ongoing and future needs for land remote sensing data. The funding for this request begins implementation of the Administration's August 14, 2007 plan for the United States National Land Imaging Program.

- **Landsat** -- The USGS is requesting $42.1 million for remote sensing missions and data acquisition in 2009 to continue operations and maintenance for Landsats 5 and 7. The USGS will work with NASA and the Landsat Science Team to continue development of the Landsat Data Continuity Mission within the National Land Imaging Program. This will improve USGS' ability to monitor and analyze changes on the Earth's surface and will maintain the constant record used by scientists and decision-makers.

- **Geologic Hazard Assessments** – The Geologic Hazard Programs include programs for Earthquakes, Volcanoes, and Landslides, plus the Global Seismic Network, and Geomagnetism (solar hazards). Each program operates monitoring networks, provides hazard warnings, assessments, and evaluation of impacts, and works with emergency managers and decision-makers to develop response strategies to mitigate damage and loss. The 2009 request for these hazard assessment programs is $80.3 million, a 6% reduction from the 2008 funding level for these programs.

- **Mineral Resources** – The Mineral Resources Program is the sole Federal provider of scientific information for objective resource assessments and unbiased research results on mineral potential, production, consumption, and environmental effects. The 2009 request for these mineral assessments is $26.3 million, a 48% reduction from the 2008 funding level. If funding is maintained at the 2009 request level, severe reductions in force and in the scope of the Mineral Resources activities will be necessary, heavily impacting the amount of minerals information that can be made available to decision-makers.

- **Integrated Multi-Hazards** -- In 2009 the USGS will continue Integrated Multi-Hazards work in Coastal and Marine Geology and in the National Streamflow Information Program. Focusing on flood, landslide, and debris-flow forecasting and warning in southern California and on hurricane forecasting and response along the Gulf Coast, these projects will provide assessments of coastal vulnerability to extreme weather events, consistent with the goals of the Ocean Action Plan and the President's Ocean Research and Priorities Plan. A total of $3.5 million is provided for these hazards projects.

- **National Water-Quality Assessment Program** – The National Water-Quality Assessment (NAWQA) Program describes the status and trends in the quality of the Nation's surface-water and ground-water resources, and provides information that supports management,

regulatory, policy, and monitoring decisions by other Federal, State, and local agencies. The 2009 request for NAWQA is $54.1 million, a 15% reduction from the 2008 funding level. If funding is maintained at the 2009 request level, reductions in force and in the scope of the NAWQA program will be necessary.

- **Priority Ecosystems Science** -- Priority Ecosystems Science is being refocused in Biology in 2009 from Geography ($1.9 million), Geology ($2.4 million), and Water ($2.3 million) for a total transfer of $6.6 million. These funds will support interdisciplinary studies of ecosystems, primarily the Everglades, the San Francisco Bay Delta, and the Chesapeake Bay, to evaluate land-use changes, ecosystem histories, sensitivity to change, and vulnerability to potential stressors in order to devise restoration and adaptive management strategies for land use managers.

- **National Biological Information Infrastructure** – The National Biological Information Infrastructure (NBII) is a tool for making biological data, information, and associated tools and technologies more accessible for customers and partners to use in making informed decisions regarding resource management, environmental considerations, disease vectors, control of invasive species, and other issues. The 2009 request for NBII is $19.6 million, a 13% reduction from the 2008 funding level. If funding is maintained at the 2009 request level, data in NBII will not be adequately maintained for currentness.

- **National Geospatial Program** – The National Geospatial Program is an integrated approach to national geospatial coordination and standards, data discovery and access, and consistent and current framework data. The National Map presents current, accurate, and consistent geospatial data online that describe the landscape of America and locate features that can be integrated and displayed represents the starting point from which land and resource decisions and economic and environmental policies can be made. The 2009 request for the National Geospatial Program is $69.7 million.

- **Global Change** -- The 2009 budget includes $26.6 for Global Change and is the first year Global Change is recognized at the budget activity level, combining most of the climate change activities from the USGS disciplines into one integrated program. These funds will be used to establish a national climate change observation and research network, and will establish a pilot research node in Alaska. The USGS will also develop methods for geologic carbon sequestration as related to the recently-passed energy law. Other activities related to global change are the satellite data archive in Geography ($3.7 million) and research activities in Biology ($1.1 million) for total global change funding of $31.4 million.

U. S. GEOLOGICAL SURVEY
GLOBAL CLIMATE CHANGE
(dollars in millions)

	2007	2008	2009 Request	Change from 2008 Enacted
Global Climate Change		7.4	26.6	+19.2
Global Change Activities	21.7	21.3	0.0	-21.3
TOTAL	**21.7**	**28.7**	**26.6**	**-2.1**
FTE				0.0

Key Points:

- **Congress increased funding climate change by $7.4 million in 2008. Funds were included to establish the National Global Warming and Wildlife Science Center.**
- **The 2009 request retained $5.0 million to continue support for the National Global Warming and Wildlife Science Center.**
- **The USGS contribution to the U.S. Climate Change Science Program (CCSP) for 2009 is $31.4 million, including $26.6 million in the Global Change activity.**

Background:

- The Department of the Interior has a National leadership role in the stewardship of lands and waters to reduce risks; maintain healthy lands, waters, and wildlife; and contribute to greenhouse gas mitigation in a dynamic environment affected by climate change.
- Climate change potentially will result in significant changes on the landscapes managed by the Department, including: changes in the amount and timing of precipitation; increased marine and inland water temperatures affecting plant and animal life; destabilization of the permafrost in northern latitudes; changes in the incidence and intensity of fires; changes in vegetation patterns and the distribution of wildlife; changes in storm frequency and intensity; and rises in sea level.
- The effects of a changing climate present numerous management challenges for the Department, including: the loss of storm water buffers for low-lying areas; reduced stream flow, storage, and water tables; disruptions of biological patterns and interactions between species and their habitat; increased frequency and impacts from storms, drought, insect outbreaks, and other natural hazards; and construction and other problems resulting from permafrost melting.
- The USGS will initiate an integrated study of the impacts of climate change on some of the Nation's most sensitive lands to integrate geologic, biologic, hydrologic, and geographic information. The approach is to combine data collection and analysis at local, regional, and National scales and to integrate across different temporal and spatial scales. This approach will provide a framework for scientific research; for climate-scenario testing; for the

development, validation, and cost-effective modification of mitigation and adaptation strategies; and for the assessment of risk to communities.

- To successfully manage Interior lands over the next few decades, land managers will need information on the range of climate conditions that are likely to occur on these lands at much higher resolution than can be supplied by Atmosphere-Ocean General Circulation Models. There is also a critical need to understand how the projected climate changes for these particular lands will interact with physical and biological systems at micro- through regional-scales.

Budget Trends:

- The USGS has maintained a budget of $21.6 million spread across several budget activities over the years focused on global climate change research and monitoring

- The first appropriation to the USGS specifically for climate change research was $7.4 million in 2008. Funds were used for global change research and monitoring and to establish the National Global Warming and Wildlife Science Center. The USGS reported to the Appropriations Subcommittees their 2008 activities using these funds.

2009 Budget:

- The USGS is implementing a budget restructure in 2009 that consolidates funding for global climate change activities from throughout the bureau into a new integrated budget activity titled Global Change.

- The 2009 Global Change activity requested $26.6 million for climate change research and monitoring, which includes $21.6 million realigned from other USGS programs and $5.0 million retained from the 2008 budget increase.

- In order to understand ongoing ecological processes, the National Global Warming and Wildlife Science Center is monitoring the effects of global change on physical parameters such as temperature, the timing and intensity of precipitation, surface water flow, sea level, and timing of snow melt. This work will result in regional assessments of the forecasted effects of global change on wildlife and their habitats at a scale appropriate to natural resource managers and will be used by managers to anticipate, minimize or compensate for future negative effects of global change on wildlife.

- In 2009, improvement of the Alaskan permafrost monitoring network in the Yukon River Basin site and on Alaska's North Slope will provide new information at better spatial resolution regarding the areas covered by both continuous and discontinuous permafrost. This new information will provide valuable input for modeling changes to permafrost under varying climate change scenarios in the future.

- An additional $3.7 million for the National Satellite Land Remote Sensing Data Archive in the Land Remote Sensing sub-activity and $1.1 million in the Biological Research and Monitoring activity contribute to CCSP but are not included in the proposed new budget activity.

U. S. GEOLOGICAL SURVEY
HAZARDS
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 CR	2009 Request	Change from 2008 Enacted
Geologic Hazards Assessments	76.2	69.1	72.7	75.0	74.0	75.3	76.0	81.0	82.4	85.7	85.7	80.3	-5.4

Key Points:

- **Of all natural hazards facing the Nation, earthquakes have the greatest potential for inflicting catastrophic casualties, damage, economic loss, and disruption. Damaging earthquakes are infrequent, but their consequences can be immense**

- **The USGS and partners have installed a cumulative total of 803 earthquake monitoring stations in the Advanced National Seismic System (ANSS). The ANSS network is capable of detecting nearly all felt earthquakes in the U.S. except for remote areas of Alaska.**

- **The USGS has installed 170 mobile or fixed monitoring sites to monitor ground deformation that identifies volcanic activity. Information from the monitoring stations of 52 volcanoes has supported public safety decisions.**

- **The USGS and partners have installed 147 monitoring stations in the Global Seismic Network. These stations provide high-quality seismic data to support earthquake and tsunami disaster management, national security (through nuclear test treaty monitoring), loss reduction, and research on the structure and dynamics of the Earth.**

- **A $3.0 million reduction in Earthquake grant funding will result in a decrease in the overall number of grant awards.**

Background:

- The mission of the Geologic Hazards Assessment Programs contributes to the Department's 2007-2012 Strategic Plan goals of providing for responsible resource protection and use and serving communities by providing information to improve understanding, prediction, warning, and monitoring of natural hazards to inform decisions by civil authorities and the public to plan for, manage, and mitigate the effects of hazard events on people and property.

- The USGS supplies the scientific information needed to make sound decisions to minimize or mitigate the effects of natural hazards. The USGS has the primary Federal responsibility for monitoring and issuing warnings for earthquakes, volcanoes, landslides, and geomagnetic (solar) storms. Each program operates monitoring networks, provides hazard warnings, assessments, and evaluation of impacts, and works with emergency managers and decision-

makers to develop response strategies to mitigate damage and loss. The USGS works closely with the National Weather Service in providing the hydrologic information used to forecast floods.

- The Geology Discipline provides Earth science information needs for a wide variety of partners and customers, including Federal, State, and local agencies, non-governmental organizations, industry, and academia. This information is used by USGS and its partners, cooperators, and customers in evaluating resource potential, defining and mitigating risks associated with natural hazards and characterizing the potential impact of natural geologic processes on human activity, health, the economy, and the environment.

- The Earthquake Hazards Program provides the scientific information and knowledge necessary to reduce deaths, injuries, and economic losses from earthquakes and earthquake-induced tsunamis, landslides, and liquefaction. Products of this program include timely notifications of earthquake locations, size, and potential impacts; regional and national assessments of earthquake hazards; and public outreach to communicate advances in understanding earthquakes, their effects. And the degree to which they can be predicted.

- As part of ANSS, the USGS and cooperating universities operate regional seismic networks in areas of high seismicity. Data from all U.S. seismic networks are used to monitor active faults and ground shaking, in much greater detail and accuracy than is possible with the national-scale network. Each region has appropriate local data processing capabilities; regional data are contributed to a national ANSS catalog of earthquakes. The USGS supports 16 regional seismic networks, structural arrays and geothermal arrays, operated by partnering colleges and universities.

- As part of GSN activities, the USGS and a consortium of universities evaluate, develop, and advance new technologies in sensors, instrument installation, data acquisition, and management. To improve performance, stations with unusually high background noise are relocated to quieter sites or configurations so that smaller events or signals of interest may be detected. The planned lifetime of the completed network is 30 years. However, with proper maintenance and upgrades of the data system platform, the GSN can produce data indefinitely, with expanded capabilities.

- In 2009 the USGS will continue Integrated Multi-Hazards work in Coastal and Marine Geology and in the National Streamflow Information Program. Focusing on flood, landslide, and debris-flow forecasting and warning in southern California and on hurricane forecasting and response along the Gulf Coast, these projects will provide assessments of coastal vulnerability to extreme weather events, consistent with the goals of the Ocean Action Plan and the President's Ocean Research and Priorities Plan.

Budget Trends:

- The 2004 budget included an increase of $300,000 for the Volcano program that will allow additional acquisition of interferometric synthetic aperture radar (InSAR) data to be used to provide essential ground-based monitoring for volcanoes and earthquakes and limited InSAR research and development.

- The 2005 budget included a decrease of $1.7 million for volcano monitoring at Mauna Loa and the in Western Aleutians, but included an increase of $800,000 for InSAR monitoring for selected volcanoes.

- The 2006 budget included an increase of $5.3 million to expand modernization of the volcano monitoring network at the most threatening volcanoes within the Nation and to provide resources for operation and maintenance of seismic monitoring equipment to support development of a global tsunami warning system.

- The 2007 budget included an increase of $300,000 for the Earthquake program and $200,000 for the Landslide program to support a bureau-wide multi-hazards demonstration project that integrated information about multiple hazards to enhance local community preparations for and recovery from natural disasters.

2009 Budget:

- The 2009 budget request for Geologic Hazards Programs is $80.3 million, a net program decrease of $5.4 million from the 2008 enacted level.

- A $3.0 million reduction in Earthquake grant funding will result in a decrease in the overall number of grant awards.

U. S. GEOLOGICAL SURVEY
MINERAL RESOURCES
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 CR	2009 Request	Change from 2008 Enacted
Mineral Resources	62.7	53.9	54.5	55.7	52.1	55.5	53.8	52.8	51.6	50.8	50.8	26.3	-24.5

Key Points:

- **The United States is the world's largest user of mineral commodities.**
- **USGS is the Nation's only Federal source for current and reliable information about both domestic and international mineral resources and the consequences of their development.**
- **The Mineral Resources Program (MRP) is the sole Federal provider of scientific information for objective resource assessments and unbiased research results on mineral potential, production, consumption, and environmental effects.**
- **Planners and decision-makers at Federal, State, and local levels use this information to inform decisions that affect both supply and development of mineral commodities.**

Background:

- The MRP supports research on how and where mineral deposits form and supports development of methods to detect potential mineral resources. This research facilitates assessments of undiscovered mineral resources, most of which are not easily identified at the Earth's surface because they are hidden by non-mineral bearing rocks or dense vegetation. Geophysical tools and techniques allow us to see geologic units and structures beneath the Earth's surface and build three-dimensional models of an area to understand how mineral resources are distributed. Innovative geochemical tools and methods are being developed to reduce uncertainty in mineral resource assessments.

- Information on domestic and international supplies and uses of minerals and mineral materials is essential to the U.S. economy and to national security. Public and private organizations rely on this objective information to make informed decisions, to understand the impact of mineral materials on the economy, and to forecast future mineral supply and demand. The MRP collects data on mineral production, consumption, recycling, inventory, and shipments from the U.S. mining and mineral processing industry. In addition, production data, trade data, and other information on more than 80 commodities from about 100 countries are compiled and published. Materials flow studies, such as a recent lead wheel-weight study, use available data to study life cycles of mineral products.

- Non-fuel mineral materials underpin significant portions of the U.S. economy and influence decisions related to National security. Processed materials of mineral origin accounted for an estimated $575.0 billion in the U.S. economy in 2007, an increase of 6% over the estimated 2006 value.

- In 2007, U.S. manufacturers and consumers of mineral products depended on other countries for 100% of 17 mineral commodities and for more than 50% of 45 mineral commodities that are critical to the U.S. economy.

- USGS works closely with its partners and customers in defining priorities and carrying out mineral resources data collections and research that supports the needs of decision-makers in land management, defense, national security, and economic policy Key partners include other DOI bureaus, Defense logistics and stockpile agencies, the intelligence community, and the Federal Reserve, as well as State and local government agencies and private organizations with interests in management of mineral lands and anticipating future mineral supply. These partnerships succeed because they represent shared commitment to providing the best possible information and research to support decisions affecting mineral resources.

Budget Trends:

- Budget reductions of 42%-53% have been requested annually since 2006. Congress has restored 98% of the funds each year, resulting in a steady reduction of funding since 2004.

- Continuously declining budgets since 2004 have resulted in a steady reduction of mineral assessment information as outcomes from the MRP.

2009 Budget:

- The 2009 budget request for the Mineral Resources Program (MRP) is $26.3 million and 124 FTE, a net reduction of $24.5 million and 210 FTE from the 2008 enacted budget.

- The proposed budget reduction would result in a scaled-back program in 2009 and would complete one systematic analysis, continue work on a unique first-ever global mineral resource assessment, conduct research to provide mineral deposit models of targeted non-fuel mineral commodities for decision-makers, collect data on domestic and international production and utilization of 70-80 essential mineral commodities, and manage four national-scale long term databases.

- The proposed decrease would eliminate three systematic analyses scheduled to be delivered to customers in 2009, and seven more that are underway and scheduled through 2012. One systematic analysis that is scheduled for delivery in 2010 would be delayed until 2011. Starting in 2009, MRP would be able to produce one to two systematic analyses per year.

- MRP would provide one to two formal workshops or training for customers in 2009 and beyond. The number of mineral commodity and related reports, including materials flow studies, produced annually would be reduced from 700 in 2008 to about 650 in 2009 and beyond; the remaining reports would focus on a limited group of commodities for which data are most essential to other Federal agencies, industry, and the public.

U. S. GEOLOGICAL SURVEY
NATIONAL WATER-QUALITY ASSESSMENT
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 CR	2009 Request	Change from 2008 Enacted
National Water-Quality Assessment	71.6	61.9	63.0	63.1	63.2	63.3	61.6	62.2	62.8	63.9	63.9	54.1	-9.8

Key Points:

- **The National Water-Quality Assessment (NAWQA) Program addresses three long-term national goals:**
  - **describe the status and trends in the quality of a large, representative part of the Nation's surface-water and ground-water resources;**
  - **provide an improved understanding of the primary natural factors and human activities affecting these conditions; and**
  - **provide information that supports development and evaluation of management, regulatory, policy, and monitoring decisions by other Federal, State, and local agencies.**
- **To share program knowledge and to solicit external input on program direction, NAWQA managers coordinate extensively with Federal agencies such as the EPA, USDA, State, and local agencies, non-governmental organizations, and the private sector.**

Background:

- The NAWQA Program began in 1991. During the first ten years, the Program conducted interdisciplinary assessments and established a baseline understanding of water-quality conditions in 51 of the Nation's river basins and aquifers, referred to as Study Units. New studies were initiated in 2001 to be completed in 42 of the 51 Study Units. The studies, including anticipated activities through 2012, are outlined in NAWQA's 5-year Plan.
- The goals of the NAWQA Program support the bureau's Science Strategy and the Department's Strategic Plan, specifically by contributing to the improvement in our understanding of stream ecosystems and ecosystem change due to human and natural causes, the role of the water environment in human and ecosystem health, effects of climate variability and change on aquatic resources, and as the water-quality component of a water census for the U.S.

Budget Trends:

- The NAWQA budget has been relatively constant since 2000 with small annual changes in their budget and an overall increase of $2.0 million in eight years.

- An increase of $200,000 was provided in 2005 for improving NAWQA's SPARROW model.

- An increase of $1.5 million was provided in 2008 to expand the interagency National Water-Quality Monitoring Network, which supports the goals of the Ocean Action Plan.

2009 Budget:

- The 2009 budget request for the national Water-Quality Assessment (NAWQA) Program is $54.1 million and 328 FTE, a net reduction of $9.8 million and 72 FTE from the 2008 enacted budget.

- Monitoring of ground-water quality to determine current conditions and trends, as well as data collection for topical studies, would be limited until data analysis and reporting on prior year work is completed, while all surface-water monitoring would continue.

- Status and trend assessments focus on surface-water quality in 42 Study Units grouped within eight major river basins in the United States, and ground-water quality in about one-third of the Nation's principal aquifers. In 2009, source-water and ground-water monitoring activities would be severely curtailed, affecting data currently collected in 28 States and 14 of the 42 NAWQA Study Units.

- Topical studies address five national priority topics that establish links between sources and transport of contaminants, and the potential effects of contaminants on humans and aquatic ecosystems. In 2009, monitoring and assessments associated with the five national priority topics will be reduced.

- To ensure NAWQA data collection and analyses are relevant to emerging issues, about 10 percent of program resources is devoted to developing state-of-the-art methods of water-quality sample collection and analysis and to innovative research techniques, such as those involving age-dating, dye tracer tests, an isotope analysis. This program area would be reduced, affecting the number of systematic analyses and investigations produced, and there would be reductions in the services provided by the national water laboratories.

- The Technical Support component of USGS water-quality activities provides national technical support and training for the geographically distributed water-quality studies. In 2009 this program component would be reduced by 20 percent, including reductions in quality assurance oversight activities across the USGS.

U. S. GEOLOGICAL SURVEY
PRIORITY ECOSYSTEMS
(dollars in millions)

Priority Ecosystems	2003	2004	2005	2006	2007	2008	2009 CR	2009 Request	Change from 2008 Enacted
Greater Everglades	7.1	7.1	7.1	7.0	7.0	6.8	6.8	6.8	0.0
Chesapeake Bay	1.4	1.4	1.4	1.3	1.4	1.4	1.4	1.4	0.0
San Francisco Bay	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	0.0
Mojave Desert	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.0
Platte River	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0
Yellowstone	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0
Subtotal	10.7	10.7	10.7	10.5	10.5	10.2	10.2	10.2	0.0
Program Coordination	0.0	0.0	0.2	0.2	0.1	0.2	0.2	0.2	0.0
TOTAL	10.7	10.7	10.9	10.7	10.6	10.4	10.4	10.4	0.0

Key Points:

- **Priority Ecosystems Science is being refocused in Biology in 2009 from Geography ($1.9 million), Geology ($2.4 million), and Water ($2.3 million) for a total transfer of $6.6 million.**
- **These funds will support interdisciplinary studies of six ecosystems: the Everglades; the San Francisco Bay Delta; the Chesapeake Bay; the Mojave Desert; the Platte River; and the Yellowstone-Snake River.**
- **These studies will focus on evaluating land-use changes, ecosystem histories, sensitivities to change, and vulnerability to potential stressors in order to devise restoration and adaptive management strategies for land use managers.**

Background:

- Through Priority Ecosystems Science (PES), the USGS provides integrated science support to better understand the interactive nature of resources and the environment. Land- and resource-management agencies require integrated scientific information and understanding to circumvent potential problems and implement needed improvements. USGS scientific information is provided within the adaptive management framework as improved scientific understanding can be incorporated into the planning and management of each area.
- Research in support of PES is aimed at improving the understanding of the rates, causes, and consequences of natural and human-induced processes that shape and change the landscape over time and to provide comprehensive information needed to understand the environmental, resource, and economic consequences of landscape change.

- Scientific information is used to ensure that future plans have realistic expectations for restoration, structures under construction and optimally managed, monitoring will yield the information desired, and managers have the tools to predict outcomes of possible restoration scenarios.

- Priority Ecosystems Science addresses the Department's Resource Protection strategic goal of improving the understanding of natural ecosystems and resources through interdisciplinary assessment.

Budget Trends:

- Priority ecosystems historically has been spread across several USGS Disciplines and embedded in other program activities. Budget numbers are not available for comparison.

- Ecosystem studies include research and monitoring programs over large areas as an integrated science including Biology, Geography, Geology, and Water Resources.

- These activities relate to global climate change activities in their scope, breadth, and large areas of coverage.

2009 Budget:

- Priority Ecosystems Science is being refocused in Biology in 2009 from Geography ($1.9 million), Geology ($2.4 million), and Water ($2.3 million) for a total transfer of $6.6 million.

- In 2009, the USGS requests an increase to support water quality characterizations of aquatic ecosystems with emphasis on the effects of human stresses on the water-quality conditions of natural ecosystems. Work would also include research on the mercury methylation in the Everglades, intersex fish in the Chesapeake Bay, and water-quality effects son aquatic organisms in San Francisco Bay.

- The 2009 request for PES would support maps of urban growth trends throughout the Chesapeake Bay watershed that are being used by State resource agencies and land conservation organizations to target land preservation efforts and develop urban growth forecasts that consider the potential impacts on stream and estuary water quality.

- The 2009 funds would also be used for work in the Greater Everglades to develop and apply technologically advanced elevation measurement systems that provide the foundation for research, management, and restoration of critical ecosystems.

U. S. GEOLOGICAL SURVEY
STREAMGAGES
(dollars in millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 CR	2009 Request	Change 2009 from 2008 Enacted
National Stream Information		14.1	14.3	14.2	14.2	13.8	13.9	16.6	20.1	20.1	23.8	+3.7
Cooperative Water	60.6	62.7	64.3	64.3	64.0	62.3	62.8	64.3	62.8	62.8	62.3	-.5
Total	60.6	76.8	78.6	78.5	78.2	76.1	76.7	80.9	82.9	82.9	86.1	+3.2
Streamgage Funding	[33.8]	[40.7]	[36.0]	[35.8]	[36.7]	[36.8]	[37.8]	[50.0]	[39.3]	[39.3]	[43.0]	[+3.7]

Key Points:

- **The USGS operates about 6,800 real-time streamgages that log their data to the National Water Information System Web application.**
- **The USGS has streamgage stations on 84% of the Nation's river basins.**
- **Through the Cooperative Water Program, streamgages are cost-shared with State and local partners, providing support for a majority of the USGS National hydrologic data network, including 4,500 streamgages.**
- **Under the Water for America initiative, the USGS will modernize 350 streamgages by replacing obsolete telemetry systems that will permit continued real-time operations and provide more timely information needed for better water management during floods and droughts**
- **Also under the Water for America initiative, the USGS will stabilize the long-term streamgage network by re-establishing 50 critical streamgages discontinued in the past decade.**

Background:

- The mission of the National Streamflow Information Program (NSIP) is to provide the streamflow information and understanding required to meet national, regional, State, and local needs. To meet this mission, the NSIP has five major objectives:
  - develop an enhanced streamgaging network to satisfy both national, State, and local needs;
  - improve streamflow data delivery to users;

- evaluate and describe streamflow characteristics and trends through regional assessments;
- improve and enhance data collection and analysis for floods and droughts; and
- research and develop new procedures, equipment, and techniques for obtaining and analyzing streamflow information.

- USGS flood hazard scientists work closely with local, State, and Federal partners, in pursuit of the national goals of reducing the toll of natural disasters and building disaster-resilient communities. The streamflow information produced by the USGS is crucial to the success of the NWS Advanced Hydrologic Prediction Services and the FEMA's floodplain map modernization initiative that began in 2003. Neither of these programs designed to save lives and property from flooding can be successful without the streamflow information provided by the USGS NSIP.

- NSIP Federal streamgages reflect that portion of the national streamgaging network that is planned to be funded exclusively by the USGS and, therefore, that part of the network over which the USGS maintains maximum control. NSIP is the Federal core of the national streamgaging program that helps to ensure stability of the national streamgage network and of long-term data collection.

- In addition to NSIP funding, support for the network is supplied by other Federal agencies and by 800 State, local, municipal, and tribal partners through the Cooperative Water Program. It is critical for USGS to search for and maintain partnerships to help maintain streamgages, as two-thirds of the streamgages are funded by partners. The shared funding and single-agency operation of the USGS streamgage network provides relevant, high-quality information to all potential users, for a wide variety of uses, at a reduced cost to the Federal Government.

- Maintaining continuous funding from USGS appropriations and partners contributions is a challenge to keep all streamgages operational. The cost to install a new streamgage is $25,000 to $30,000; the national average to maintain a streamgage is $14,000. The maintenance of a streamgage to keep it operational includes salary and transportation for technicians who perform site visits, salary for records management and validation, and a small amount for replacement of equipment when a gage is disable by lightning strike or other event.

- While a small number of streamgages are deactivated due to natural causes, most decommissioning of streamgages are due to loss of funds, either from the USGS or a partner. The number of decommissioned streamgages varies from year to year and within any fiscal year if funding is inconsistent. If funding is permanently lost for a particular streamgage, the USGS will collect the equipment for use in another area.

- Because a single agency operates this network, data are collected using nationally consistent methods, which enables comparability of data across jurisdictional boundaries and acceptance of results by water management agencies and courts at all levels of government.

Operation of the national network by a single agency also helps to minimize the costs of providing the needed streamflow information by consolidating the data collection and information management infrastructure required.

Budget Trends:

- The 2004 budget included in increase $1.8 million to ensure continued support of the NSIP.

- The 2007 budget included an increase of $200,000 in the NSIP to support a bureau-wide multi-hazards demonstration project that integrates information about multiple hazards to enhance local community preparations for and recovery from natural disasters. An additional increase of $2.3 million in the NSIP will increase the number of streamgages by 30, giving the USGS the flexibility to continue operations at high-priority sites and enabling the USHGS to invest in technological improvements that will make the entire network more cost-efficient in the long term.

- The 2008 budget included an increase of $250,000 in the NSIP that would enable installation of three new streamgages in southern California and deployment of storm surge monitors, and an increase of $1.4 million to fund continued operations for the streamgaging network.

2009 Budget:

- Streamgages are included in the budgets of both the NSIP and the Cooperative Water Program. NSIP contributes 13% of the funding for streamgages and the Cooperative Water Program contributes 15%. The remaining funds for streamgages come from other Federal agencies (21%) and State and local funds (51%).

- As part of the $21.3 million Water for America Initiative, the USGS budget includes an increase of $8.2 million for a range of actions that will significantly improve our understanding and knowledge about the Nation's water resources. These funds will be used to initiate a nationwide water census that will integrate surface and groundwater information, provide improved measurement and analysis of water resources, and modernize the Nation's 7,000 streamgages with real time telemetry.

U. S. GEOLOGICAL SURVEY
LAND IMAGING
(dollars in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009 CR	2009 Request	Change 2009 from 2008 Enacted
Land Remote Sensing	32.5	35.8	32.8	33.7	32.7	45.7	63.3	61.5	61.5	62.6	+1.1

KEY POINTS:

- **On August 14, 2007, the Administration, through the Office of Science and Technology Policy, issued a plan for the United States National land Imaging Program.**
- **Recommendations in "A Plan for a U.S. National Land Imaging Program" call for the NLIP to be established in the Department and to provide focused leadership and management for the Nation's operational land imaging efforts that would ensure the availability of land imaging data far into the future, with an uninterrupted history back to 1972.**
- **The 2009 budget includes $2.0 million for the USGS to initiate the planning and design and to develop the partnership efforts for an operational program of moderate-resolution satellite imagery data collection of the Earth's land surfaces.**
- **The USGS is implementing cost saving measures by transitioning from delivering data on media to providing download capabilities for delivering data via web.**
- **As a result of these cost saving measures, beginning in 2009 the USGS is providing Landsat imagery at no cost to the customer.**

Background:

- The Administration's call for the National Land Imaging Program (NLIP) to address the Nation's needs in civil-operational land imaging is the result of several decades of policy change.
  - Following development and launch of Landsats 1 through 5, from 1972 to 1984, the United States chose to commercialize United States land remote sensing.
  - By 1992, the Congress resolved that commercialization was not successful and authorized the development of Landsat 7 (Landsat 6 was lost at launch in 1994).
  - After Landsat 7 was launched in 1999, the United States attempted again to establish a private-public partnership for continued development of the Landsat program.

- After four years, in 2003, NASA withdrew its solicitation for proposals for a partnership due to the lack of commercial interest.

- Reflecting on the circumstances of a failed partnership and facing a potential data gap, in 2004 the Administration declared Landsat to be a *National Asset* whose data would be acquired using concurrent and developing United States weather satellite missions in the future; this approach was later found to be overly expensive and technically infeasible.

- In 2005, with the approaching gap in the 35-year continuous record of Landsat data, the Administration provided funding to NASA and the USGS to produce a new Landsat satellite and mission, the Landsat Data Continuity Mission (LDCM). Landsats 5 and 7 had reached the end of their design lives, were in degraded status, and could fail at any time; because of spent fuel, neither satellite would operate beyond 2012. LDCM is scheduled for launch in 2011.

- The USGS will lead the NLIP initiative, with shared responsibility among the other land imaging users, and will establish a coordination office to assess and integrate ongoing and future needs for land remote sensing data.

- In the past, when users requested imagery, they were able to select among many processing options. While this approach provided flexibility to customers, it also required a robust processing system to track and process each order. The USGS has developed a web-enabled system that offers a standard product for all Landsat data. Today many desktop applications exist to aid users in customizing Landsat imagery after they are obtained from the USGS. Thus, the system used to track, produce, and ship media products will be eliminated. Operators needed to load media units, label products, and package orders will no longer be required.

- Landsat data sales will be completely eliminated by January 2009. As a result, the billing and accounting system will no longer be needed, nor the staff required for tracking user orders and funding, managing, user accounts, and close-out of fiscal year sales accounts. Only limited functions to track user and data download information for reporting purposes will be maintained.

- With the elimination of product options, sales, and some systems, requirements for contract staff at the USGS are reduced. Based on these changes, Landsat project expenses will decline commensurate with the decrease in product sales. The majority of savings will be realized by the reduction in contract staff associated with product sales, producing user specified products, distribution of products to customers, and maintenance of those systems required for these functions. Additional savings are related to overhead costs associated with this contract staff, such as desktop system support, management, travel, and training.

Budget Trends:

- The 2006 budget included an increase of $12.0 million to cover the shortfall in revenue due to the failure of the scan line corrector on board Landsat 7. The funding will enable the

program to continue to provide critically needed Landsat products, despite the loss of product sales revenue on which the program depended.

- The 2006 budget also included an increase of $7.5 million to provide funding for the development of ground processing systems to receive, process, and archive data that will be delivered from the LDCM, expected to be launched in 2009.

- The 2007 budget included an increase of $16.0 million to fund Landsat 8 development, an LDCM partnership between NASA and the USGS, that continues the 30-year legacy of obtaining global earth observation data via the aging Landsat satellites 5 and 7.

- The 2008 budget included a decrease of $850,000 in USGS support provided to other Federal agencies in the acquisition of remote sensing data.

2009 Budget:

- The 2009 budget includes $2.0 million for the USGS to initiate the planning and design and to develop the partnership efforts for an operational program of moderate-resolution satellite imagery data collection of the Earth's land surfaces in the NLIP.

- The USGS is requesting $42.1 million for remote sensing missions and data acquisition in 2009 to continue operations and maintenance for Landsats 5 and 7.

- The USGS will work with NASA and the Landsat Science Team to continue development of the Landsat Data Continuity Mission within the National Land Imaging Program. This will improve USGS' ability to monitor and analyze changes on the Earth's surface and will maintain the constant record used by scientists and decision-makers.

- The Department and the USGS have briefed OMB and the appropriations subcommittees on the NLIP. Thus far, the OSTP recommendation for a consolidated program has not been embraced.

DEPARTMENT OF THE INTERIOR
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TRANSITION BUDGET ISSUES AND BACKGROUND MATERIALS

NOVEMBER 2008

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FISH AND WILDLIFE SERVICE
BUREAU OVERVIEW

(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	1,318.0	1,338.1	1,366.3	1,366.3	1,301.7	-64.6
Permanent	731.2	841.3	954.0	946.9	946.9	-7.1
Total	2,049.2	2,179.4	2,320.3	2,313.2	2,248.6	-71.7
FTE	8,910	8,749	8,704	8,704	8,746	42.0

Bureau Profile

- The Service mission is to work with others to conserve, protect, and enhance fish, wildlife, plants and their habitats for the continuing benefit of the American people.

- Through many statutes the Service has broad responsibility to protect and conserve migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fisheries. Chief among these statutes are the Fish and Wildlife Act, the National Wildlife Refuge System Improvement Act, the Migratory Bird Treaty Act, the Endangered Species Act and the Lacey Act.

- The Service implements its statutory responsibilities though its six priorities:
  - National Wildlife Refuge System – Conserving our lands and resources.
  - Landscape Conservation – Working with others on conservation efforts at the landscape scale.
  - Migratory Birds – Conservation and management.
  - Threatened and Endangered Species – Achieving recovery and preventing extinction.
  - Connecting People with Nature – Ensuring the future of conservation.
  - Aquatic Species – National fish habitat initiative and trust species.

- The Service achieves its mission through its 548 National Wildlife Refuges as well as waterfowl production areas, for a total of more than 96 million acres; 145 Fish and Wildlife or Ecological Services Field Stations, 71 National Fish Hatcheries, and 16 Fish Health or Technology Centers.

- An important ingredient to delivery of the Service's conservation programs is working with diverse partners, including other Federal agencies, state and local governments, tribes, international organizations, and private organizations and individuals.

- The Service headquarters is located in Washington, D.C. and has staff in Arlington, Virginia; Denver, Colorado, and Shepherdstown, West Virginia. Eight regional offices manage the refuges and field stations across the country.

Legislative Issues

- The authorization for the Endangered Species Act of 1973 expired in 1992. On 15 August 2008, FWS and the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) released a joint proposed rule to amend regulations governing interagency cooperation under the ESA. The proposed rule is intended to update a portion of the ESA regulations governing the endangered species responsibilities of federal agencies (section 7). Each federal agency is responsible under Section 7 regulations to consult with the FWS and NOAA before they undertake an action that may affect an endangered species. Under the proposed rule, in some narrow situations, action agencies are allowed to determine the effects of their own actins without concurrence from FWS.

- Other expired or expiring authorizations include
  - Great Lakes Critical Programs Act of 1990; Expired 1995
  - Wild Bird Conservation Act of 1992; Expired 1995
  - Fish and Wildlife Conservation Act; Expired 1997
  - Marine Mammal Protection Act; Expired 1999
  - Nonindigenous Aquatic Nuisance Species Prevention and Control Act of 1990; Expired 2002
  - Fisheries Restoration and Irrigation Mitigation Act; Expired 2005
  - Klamath River Basin Fishery Resources Restoration Act; Expired 2006
  - National Aquaculture Development Act; Expired 2007
  - Nutria Eradication and Control Act; Expired 2008
  - Sikes Act (authorization in the National Defense Authorization Act of 2004); Expired 2008
  - Federal Aid in Sport Fish Restoration Act of 1950 and Clean Vessel Act of 1992, Expires 2009
  - Marine Turtle Conservation Act, Expires 2009

New/Proposed legislation

- Federal Duck Stamp Price Increase. The President's 2009 budget proposal asked Congress to increase the purchase price of the Federal Duck Stamp from $15 to $25; the first such increase since 1991. Under the proposed legislation, the price of the Duck Stamp would increase to $25 from 2009-2011 and to $35 after 2012. The proposed legislation would give the Interior Secretary the authority to further raise the Duck Stamp price after 2013.

- Wetlands Loan Act. The Wetlands Loan Act of 1961 authorized the appropriation of up to $200 million to be provided as loan for wetlands acquisitions. Legislation to reauthorize the Wetlands Loan Act would help offset continued loss of important wetland habitat by authorizing appropriations of up to $40 million per year to be advanced against future sales of Duck Stamps. Advances would be repaid through incremental increases in the price of the Federal Duck Stamp.

- Reauthorization of the Wallop-Breaux Amendment to the Sport Fish Restoration Act. The Dingell-Johnson Sport Fish Restoration Act was approved in 1950. A major amendment as passed in 1985, the Wallop-Breaux Amendment, added the motor boat fuel tax attributable to motor boats to the Sport Fish Restoration Program. Through subsequent reauthorizations, the enabling legislation has had other minor adjustments to programs and funding. Currently, Program revenue from gas taxes attributable to motor boats and small engines comprise about 60 percent of the Program's gross revenue.

- Great Cats and Rare Canids Act. Directs the Secretary of the Interior to provide assistance for projects for the conservation of rare felids and rare canids. Establishes in the Multinational Species Conservation Fund as a separate account the Great Cats and Rare Canids Conservation Fund. **DOI testified in support of HR 1771 on 9/6/07.**

- Crane Conservation Act. Authorize the Secretary of the Interior to provide financial assistance for approved projects relating to the conservation of cranes, using amounts in the Crane Conservation Fund established by the Act. Establishes the Crane Conservation Fund in the Multinational Species Conservation Fund. **DOI testified in support of HR 1771 on 9/6/07.**

- Nonnative Wildlife Invasive Prevention Act. Establishes a process for assessing the risk of all nonnative wildlife species proposed for importation into the United States. Sets forth factors that must be considered at minimum, including the identity of the organism to the species level, the geographic source, and the likelihood of spread and harm to groups of species or habitats. Provides procedures for issuance and expansion of the approved-for-importation list. **FWS testified that it supported the general intent of HR 6311 on 6/26/08.**

- Technical Fix to the Captive Wildlife Safety Act provisions of the Lacey Act. Legislation to correct a technical defect discovered by the Service during development of implementing regulations for the Captive Wildlife Safety Act (PL 108-191). As presently written, the Captive Wildlife Safety Act provisions are a one-step offense within a section of the Lacey Act that presumes two-step violations, making violations of the Captive Wildlife Safety Act provision very difficult to enforce in a court of law. **FWS testified in support of this legislation during the 109th Congress.**

Strategic Plan

Strategic goals for the Fish and Wildlife Service are found within all four mission areas in the DOI Strategic Plan. Goals for Fish and Wildlife Service programs include:

- In Resource Protection (about 85% of FWS' efforts):
  - Improve the Health of Watersheds, Landscapes and Marine Resources
  - Sustain Biological Communities
  - Protect Cultural and Natural Heritage Resources

- In Recreation (about 8%)
  - Improve the Quality and Diversity of Recreation Experience and Visitor Enjoyment

- In Serving Communities (about 6%):
  - Improve Protection of Lives, Resources and Property
  - Fulfill Indian Fiduciary Trust Responsibilities

- Resource Use (about 1%)

Current Issues

- Over the last four years funding for core FWS operations have not kept pace with inflation, resulting in unfilled vacancies and reduced operational funding. Measured by FTE, Service employment has declined by 4.4 percent, from 9,345 FTE in 2004 to 8,932 FTE in 2008.

- Within the Refuge program, FWS has launched a major effort at workforce planning to prioritize positions and to ensure that FWS field stations have an appropriate balance of salary and operational funding. The infusion of $35 million in 2008 enabled FWS to achieve their realignment. FWS has begun implementing policies to ensure Refuge managers have adequate "management capability" to respond to new and ongoing wildlife and habitat needs.

- As with other FWS programs, the Endangered Species program's capacity has been eroded over time. Pressure on the Listing program continues as FWS is increasingly litigated for failure to make expeditious progress on its petition workload. Pressure is growing on the Service to evaluate candidate species, to designate critical habitat for listed species, and to make progress recovering listed species, including the polar bear.

- Recovering the bald eagle and removing it from the list of endangered species has generated a new permitting workload. Disturbance is prohibited under the Bald and Golden Eagle Protection Act without incidental take authorization. FWS has developed management guidelines to avoid disturbance, but will require additional resources to process permit applications and provide timely technical assistance to landowners.

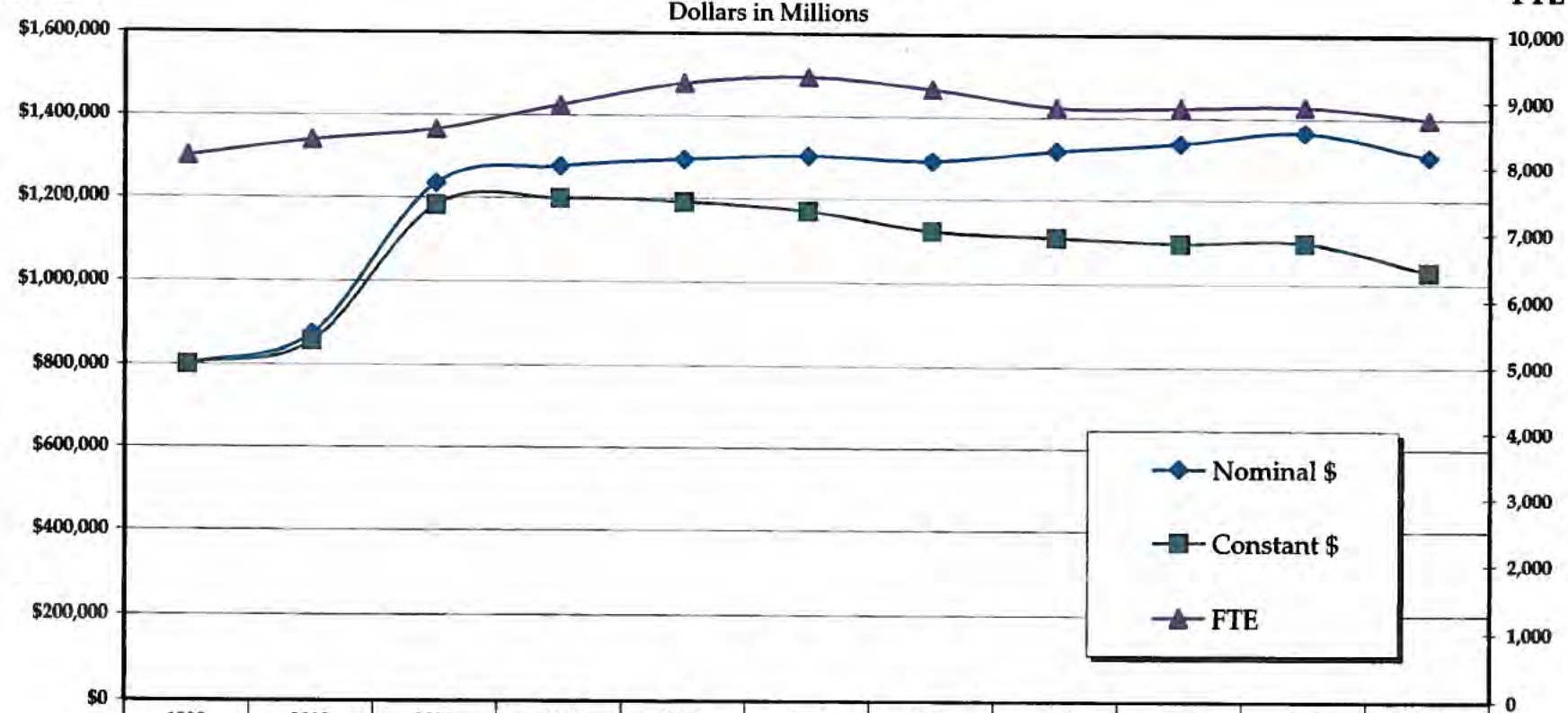
- Another challenge FWS faces is the need to reverse the significant decline of native birds. A recent Audubon report documented 20 common species that have lost at least one-half their population in just four decades. On average, populations of common birds have plummeted 70 percent since 1967. FWS recently completed work on 37 focal species, which will focus efforts on conservation. The Migratory Bird program conducts surveys in cooperation with USGS which are used by the states to set hunting frameworks. FWS is partway done with its program to replace survey aircraft.

- Through enforcement of wildlife laws and monitoring of wildlife trade, FWS's Law Enforcement program supports all FWS conservation efforts. The Service has not been able to replace retiring special agents. At the close of 2002 there were 238 special agents in place. By the end of 2008 that number had dropped to 211. The Refuge system continues to implement recommendations to phase out collateral duty law enforcement refuge staff. FWS currently employs 253 full time officers and 164 dual function officers. The Service is phasing out dual function officers and focusing on staffing to meet the International

Association of Chiefs of Police Deployment model which recommends a Refuge system law enforcement staff of nearly 800 officers.

- Landscape Conservation and Climate Change – Through Strategic Habitat Conservation, FWS is working to improve its ability to adapt to changing environmental conditions, to work across FWS programs to achieve natural resource goals, and to place greater emphasis on landscape scale efforts to preclude the need for listing additional species and achieve grater progress in recovering listed species.

Fish and Wildlife Service
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	800,826	874,236	1,234,200	1,275,690	1,293,537	1,303,433	1,292,039	1,318,037	1,338,109	1,366,301	1,306,796 *
Constant $	800,826	856,926	1,181,871	1,198,650	1,191,323	1,169,986	1,123,741	1,109,628	1,097,126	1,099,006	1,030,342
FTE	8,117	8,360	8,530	8,908	9,248	9,345	9,170	8,910	8,910	8,932	8,746

* Does not include cancellations of prior year Budget Authority

U.S. Fish and Wildlife Service

Date: 09/25/08

Orange = SES
Green = Deputy GS-15

Director – H. Dale Hall
Deputy Director – Rowan Gould
Senior Advisor - Ken Stansell
Science Advisor – Dan Ashe
Special Assistant – Margaret Hopkins

H. Dale Hall 9/26/08
Director, U.S. Fish and Wildlife Service Date

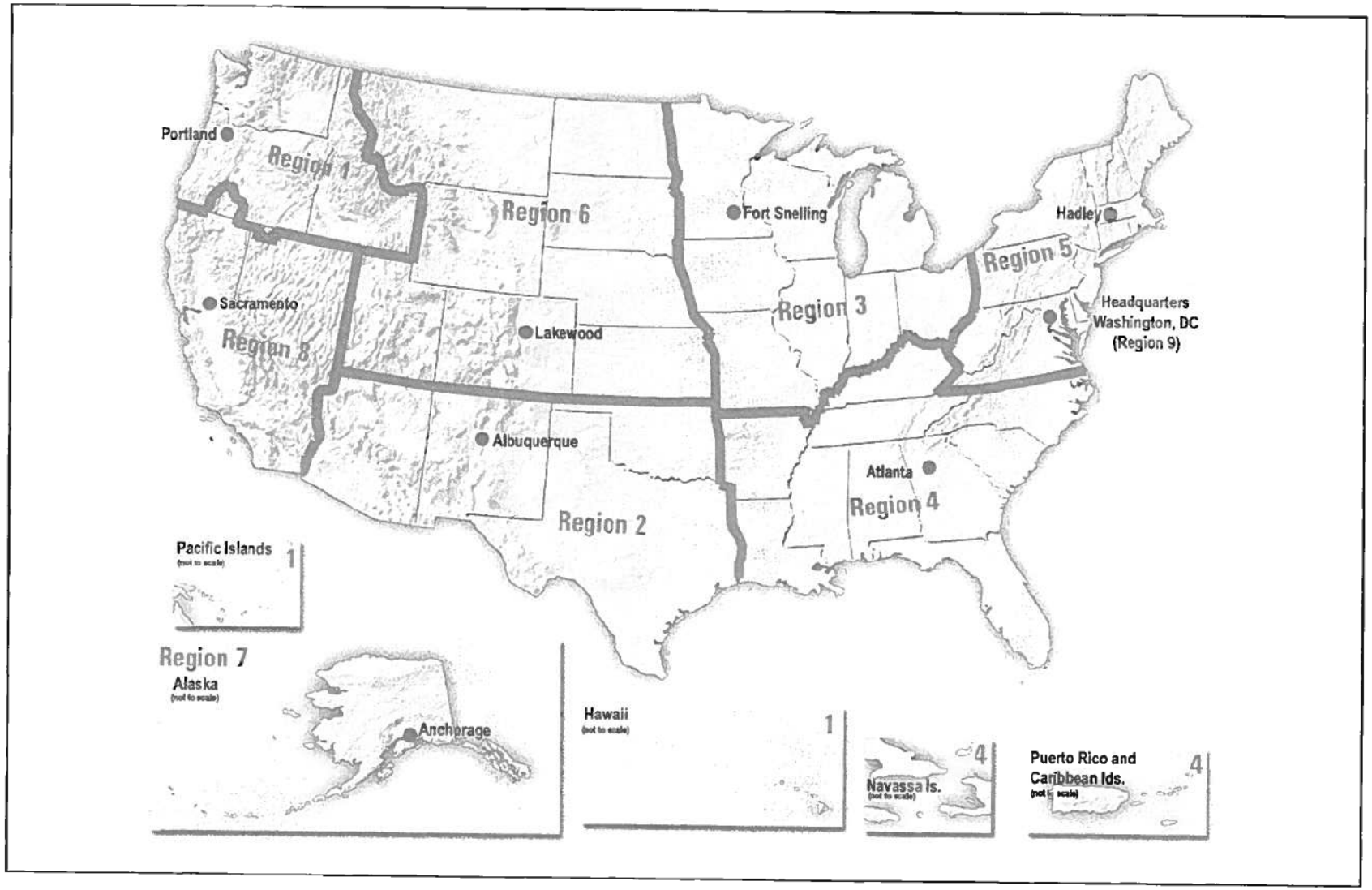
- Assistant Director National Wildlife Refuge System — Jim Kurth (Acting)
  - Division of Natural Resources and Conservation Planning — Andre Loranger
  - Division of Realty — A. Eric Alvarez
  - Division of Visitors Services and Communication — Mark Musaus
  - Office of NWRS Budget — Lawrence Williams
  - Division of Information Technology and Management — Kenneth Grannemann
  - Division of Refuge Law Enforcement — Mark Chase
- Assistant Director Wildlife and Sport Fish Restoration Programs — Hannibal Bolton (Acting); Pam Matthes
  - Division of Administration and Information Management — Steve Barton
  - Division of Policy and Programs — Joyce Johnson
- Assistant Director Migratory Birds — Paul Schmidt; Jerome Ford
  - Division of Migratory Bird Management — Robert Blohm
  - Division of Bird Habitat Conservation — Michael Johnson
  - Office of Aviation Management — Michael Grant
- Assistant Director Fisheries & Habitat Conservation — Gary Frazer; Jeff Underwood
  - Division of Fish & Wildlife Management & Habitat Restoration — Hannibal Bolton
  - Division of the National Fish Hatchery System — Stuart Leon
  - Division of Environmental Quality — Roger Helm
  - Division of Habitat and Resource Conservation — David Stout
  - Office of Program Operations — Jill Parker
  - Office of Strategic Planning & Performance Management — Bob Batky
- Assistant Director Endangered Species — Bryan Arroyo; Gloria Bell
  - Division of Conservation and Classification — vacant
  - Division of Consultation, Habitat Conservation Planning, Recovery & State Grants — Richard Sayers
  - Office of Program Support — Martha Balis-Larsen
  - Division of Partnerships and Outreach — Claire Cassel
  - Office of ESA Litigation — Nicole Alt
- Assistant Director International Affairs — Teiko Saito (Acting); Teiko Saito
  - Division of Management Authority — Robert Gabel
  - Division of Scientific Authority — Rosemarie Gnam
  - Division of International Conservation — Herbert Raffaele
- Chief, Law Enforcement — Benito Perez; Gary Mowad
  - Division of Law Enforcement Operations — Juliana Scully
  - Regional Special Agents-in-Charge Regions 1-8
  - Clarke R. Bavin National Forensics Laboratory — Kenneth Goddard
  - Division of Technical and Field Support — vacant
  - Office of Professional Responsibility — Richard Winn
  - Office of Special Operations — vacant
- Assistant Director External Affairs — Beth Stevens; Christine Eustis
  - Division of Congressional & Legislative Affairs — Lesli Gray
  - Division of Communications — Chris Tollefson
  - National Conservation Training Center — Jay Slack (effective 9/11/08); Jim Willis
  - Native American Liaison — Patrick Durham
  - Division of Program and Partnership Support — vacant
- Assistant Director Budget, Planning and Human Capital — Denise Sheehan
  - Division of Human Capital — Peggy Phelps
  - Division of Budget — Christine Nolin
  - Division of Policy & Directives Management — Michael Schwartz
  - Division of Cost and Performance Management — Kathleen Tynan
- Assistant Director Business Management & Operations — Paul Henne; Robert Ashworth
  - Division of Engineering — Paul Rauch
  - Division of Contracting & Facilities Management — James McCaffery
  - Division of Financial Management — George Keller
  - Division of Economics — John Charbonneau
  - Division of Safety and Health — Mary Parkinson
- Assistant Director Information Resources and Technology Management (CIO) — Bernard Mazer; Hope Mentore-Smith
  - Division of Information Resources and Technology Management — Hope Mentore-Smith

- Regional Director, Region 1 — Robyn Thorson (effective 10/12/08); Portland, OR — Dave Wesley
- Regional Director, Region 2 — Benjamin Tuggle; Albuquerque, NM — vacant
- Regional Director, Region 3 — Tom Melius (effective 10/12/08); Fort Snelling, MN — Charlie Wooley
- Regional Director, Region 4 — Sam Hamilton; Atlanta, GA — Cynthia Dohner
- Regional Director, Region 5 — Marvin Moriarty; Hadley, MA — Wendi Weber
- Regional Director, Region 6 — Steve Guertin; Denver, CO — Vacant
- Regional Director, Region 7 — Geoff Haskett (effective 10/12/08); Anchorage, AK — Gary Edwards
- Regional Director, Region 8 — Renne Lohoefener (effective 10/12/08); Sacramento, CA — Ken McDermond

U.S. Fish & Wildlife Service

Regions 1- 9 : Boundaries and Regional Offices

Contiguous 48 States, Alaska, Hawaii, Pacific Islands, Puerto Rico and Caribbean Islands, Navassa Island



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WASHINGTON, DC
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MAP DATE: 10/02/2008
BASEMAP: Tothgraphix
MERIDIAN: NA
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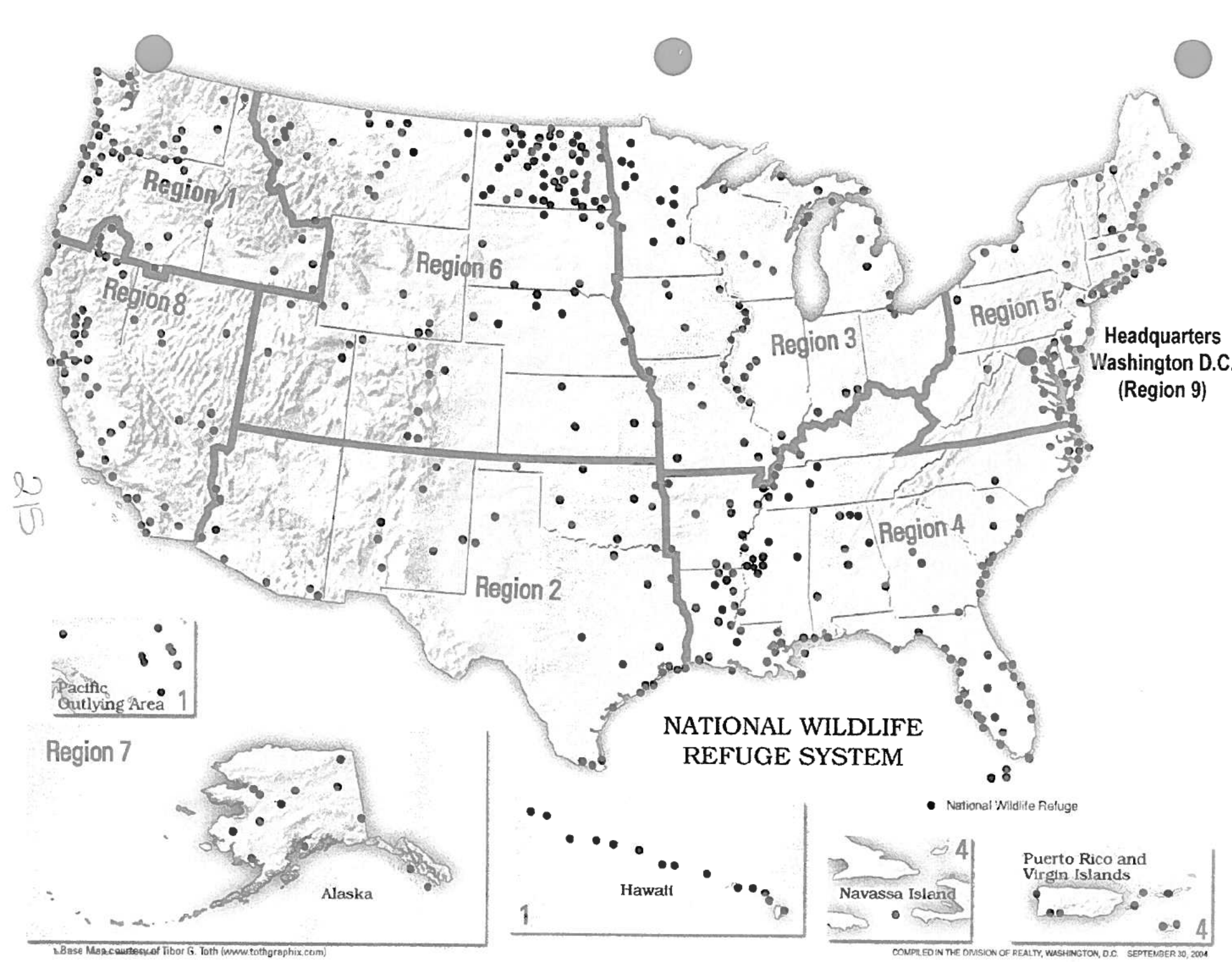
Region 1
Region 8
Region 6
Region 3
Region 5
Region 4
Region 2
Headquarters
Washington D.C.
(Region 9)
Pacific
Outlying Area 1
NATIONAL WILDLIFE
REFUGE SYSTEM
Region 7
Alaska
Hawaii
1
National Wildlife Refuge
4
Navassa Island
Puerto Rico and
Virgin Islands
4
Base Map courtesy of Tibor G. Toth (www.tothgraphix.com)
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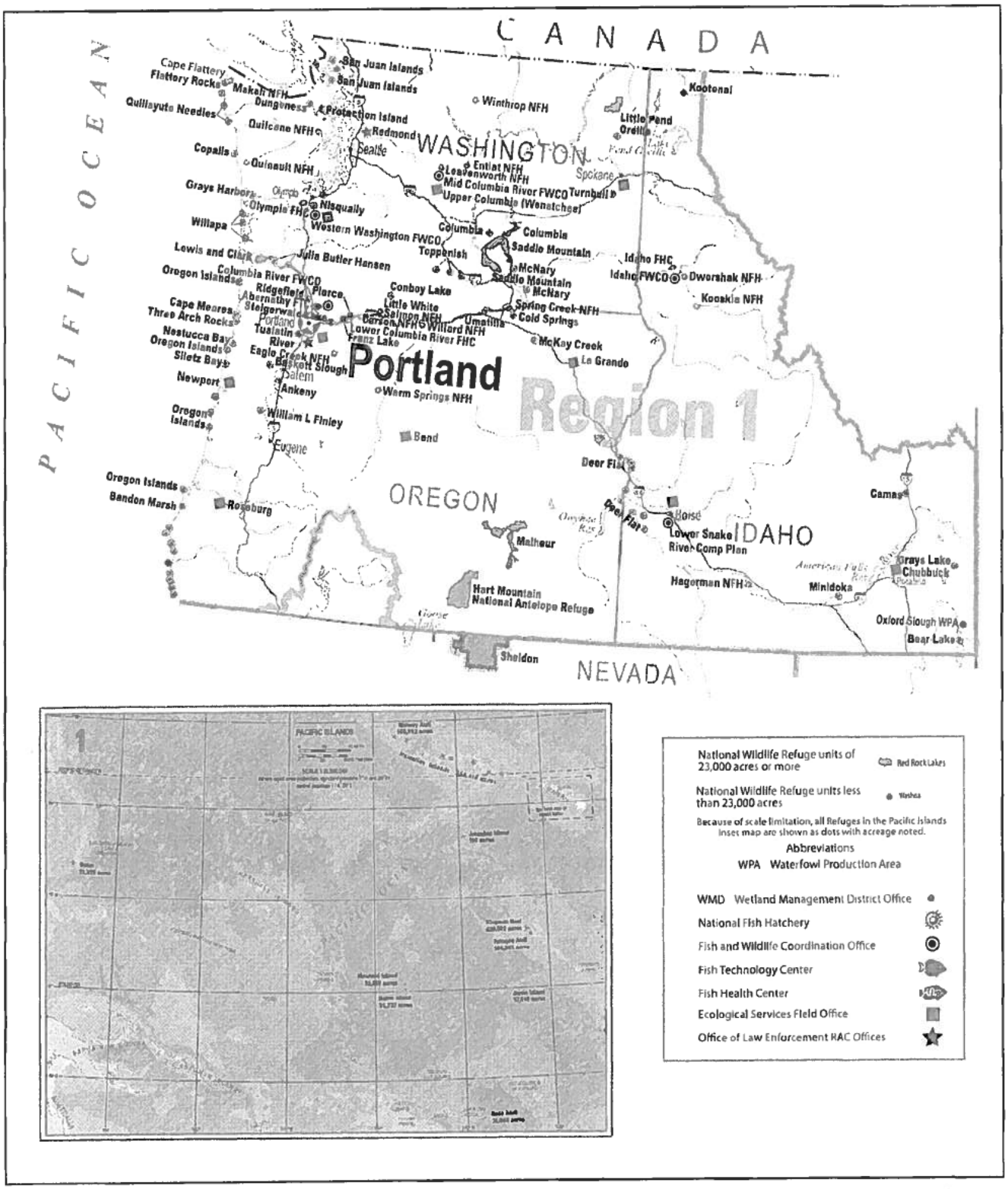
U.S. Fish & Wildlife Service

Region 1

Hawai'i and the Pacific Islands, Idaho, Nevada (Sheldon National Wildlife Refuge only), Oregon (excluding the Klamath River watershed), Washington



National Wildlife Refuge units of 23,000 acres or more — Red Rock Lakes

National Wildlife Refuge units less than 23,000 acres — Washita

Because of scale limitation, all Refuges in the Pacific Islands inset map are shown as dots with acreage noted.

Abbreviations

WPA Waterfowl Production Area

WMD Wetland Management District Office

National Fish Hatchery

Fish and Wildlife Coordination Office

Fish Technology Center

Fish Health Center

Ecological Services Field Office

Office of Law Enforcement RAC Offices

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MAP DATE: 10/31/2008
BASEMAP: USGS NATIONAL ATLAS
MERIDIAN: N/A
FILE:

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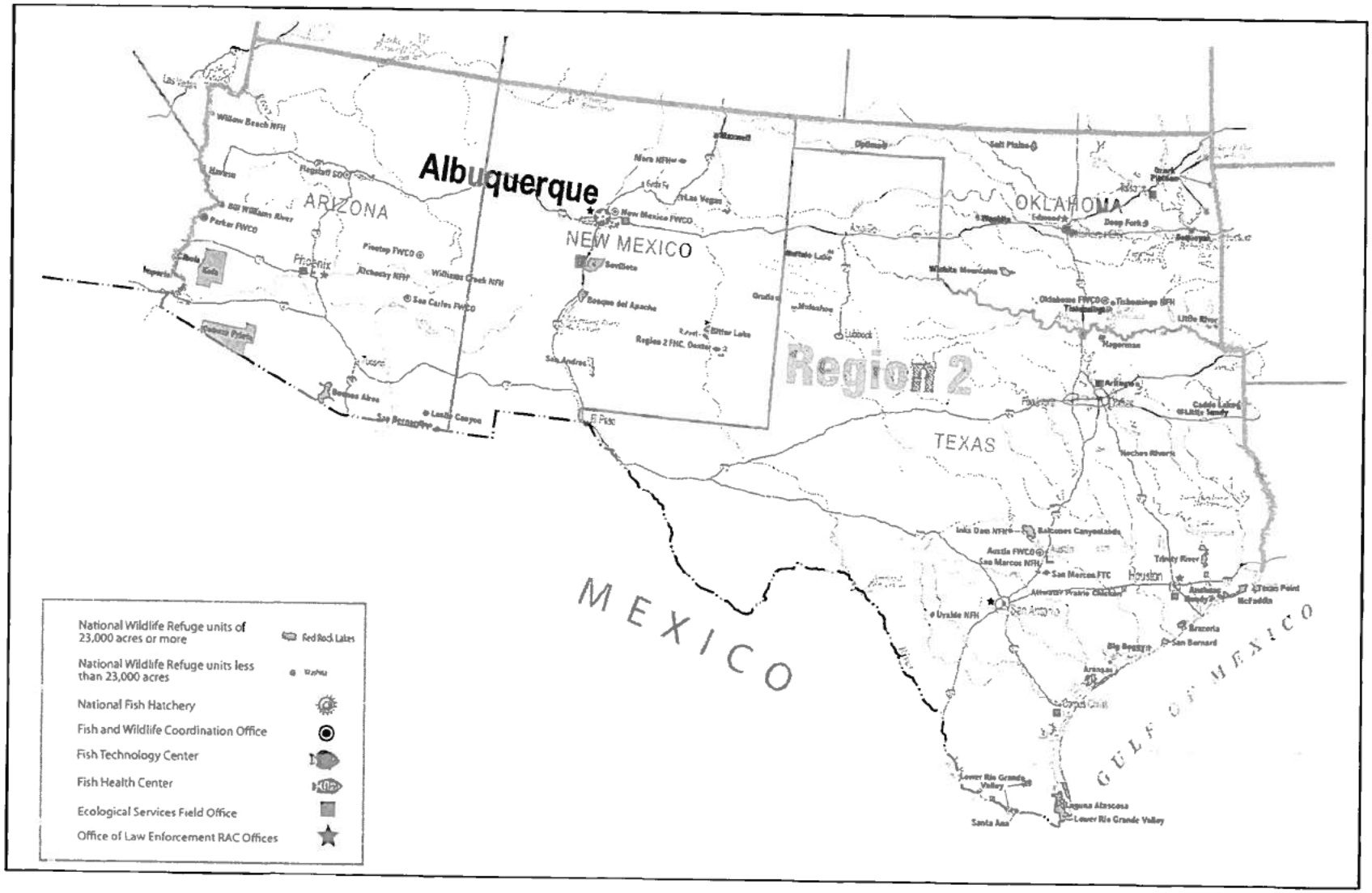
0 50 100 200 Kilometers

U.S. Fish & Wildlife Service

Region 2

Arizona, New Mexico, Oklahoma, Texas



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BASEMAP: Tarkographix
MERIDIAN: NA
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0 100 200 400 Miles

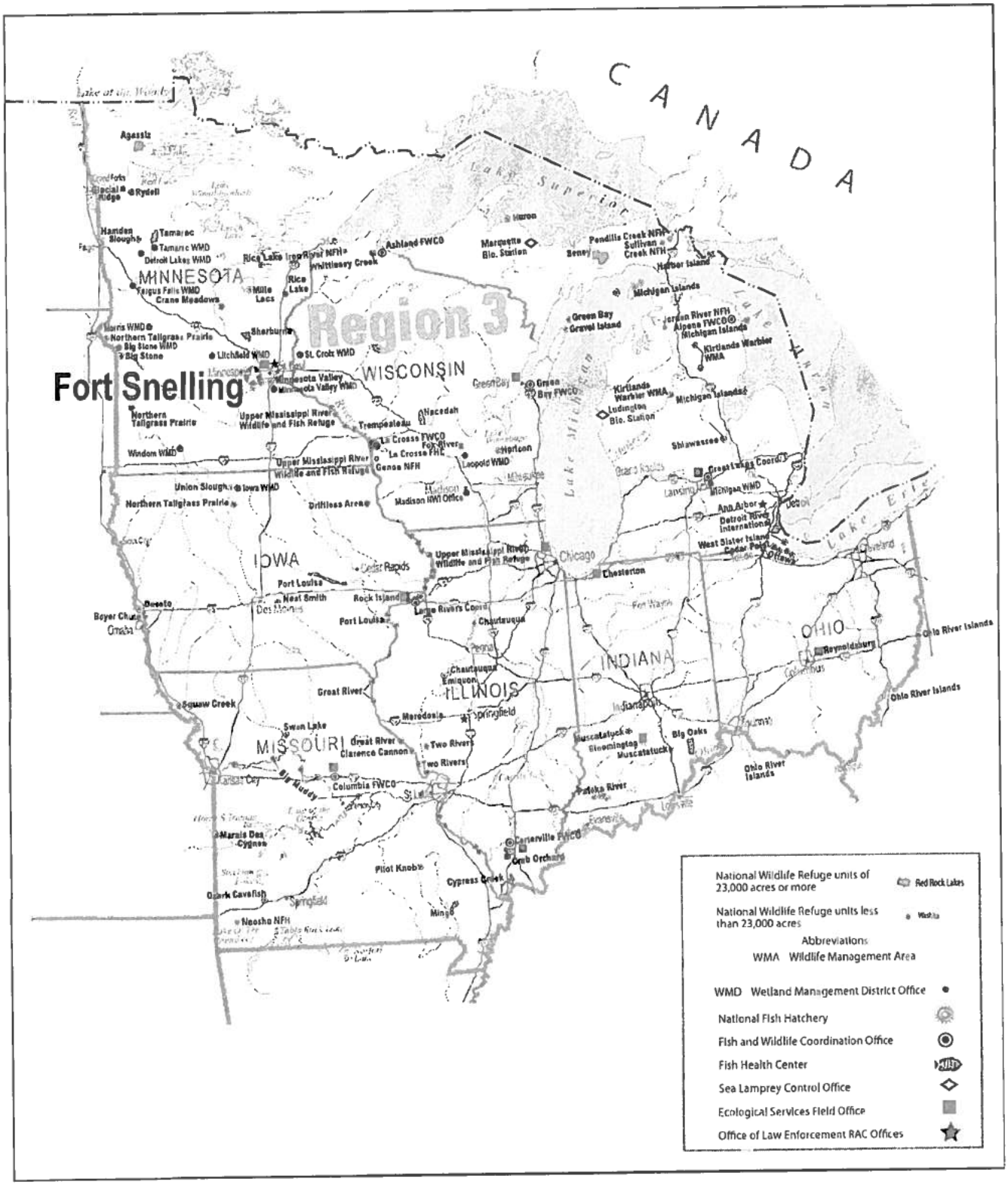
0 100 200 400 Kilometers

21

U.S. Fish & Wildlife Service

Region 3

Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, Wisconsin



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BASEMAP: USGS NATIONAL ATLAS
MERIDIAN: N/A
FILE:

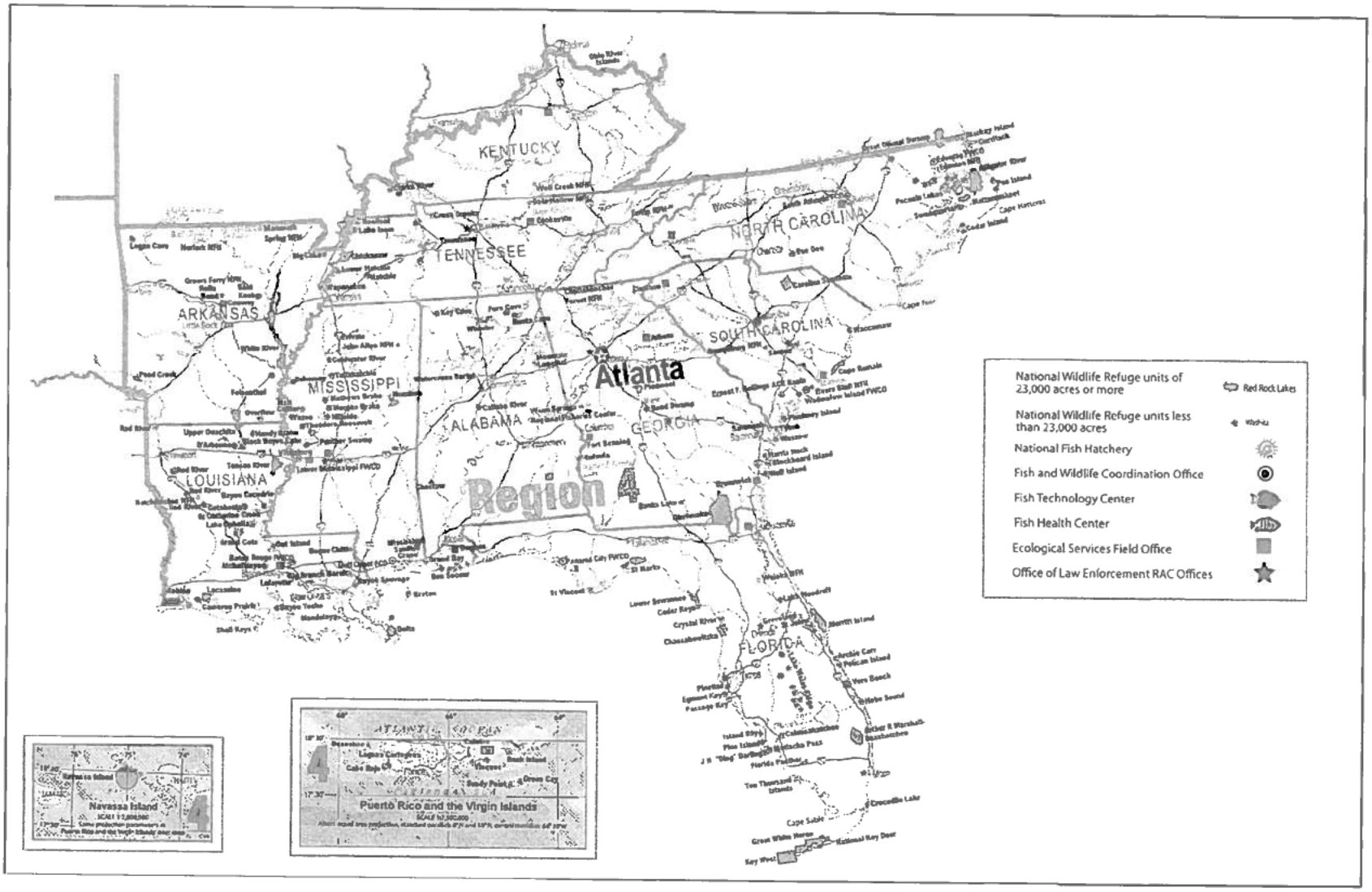
0 150 200 300 Miles

0 150 200 300 Kilometers

U.S. Fish & Wildlife Service

Region 4

Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Caribbean Islands



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WASHINGTON, DC
LAND STATUS CURRENT TO: 9/30/2008
MAP DATE: 10/10/2008
BASEMAP: Tathgraphic
MERIDIAN: NA
FILE

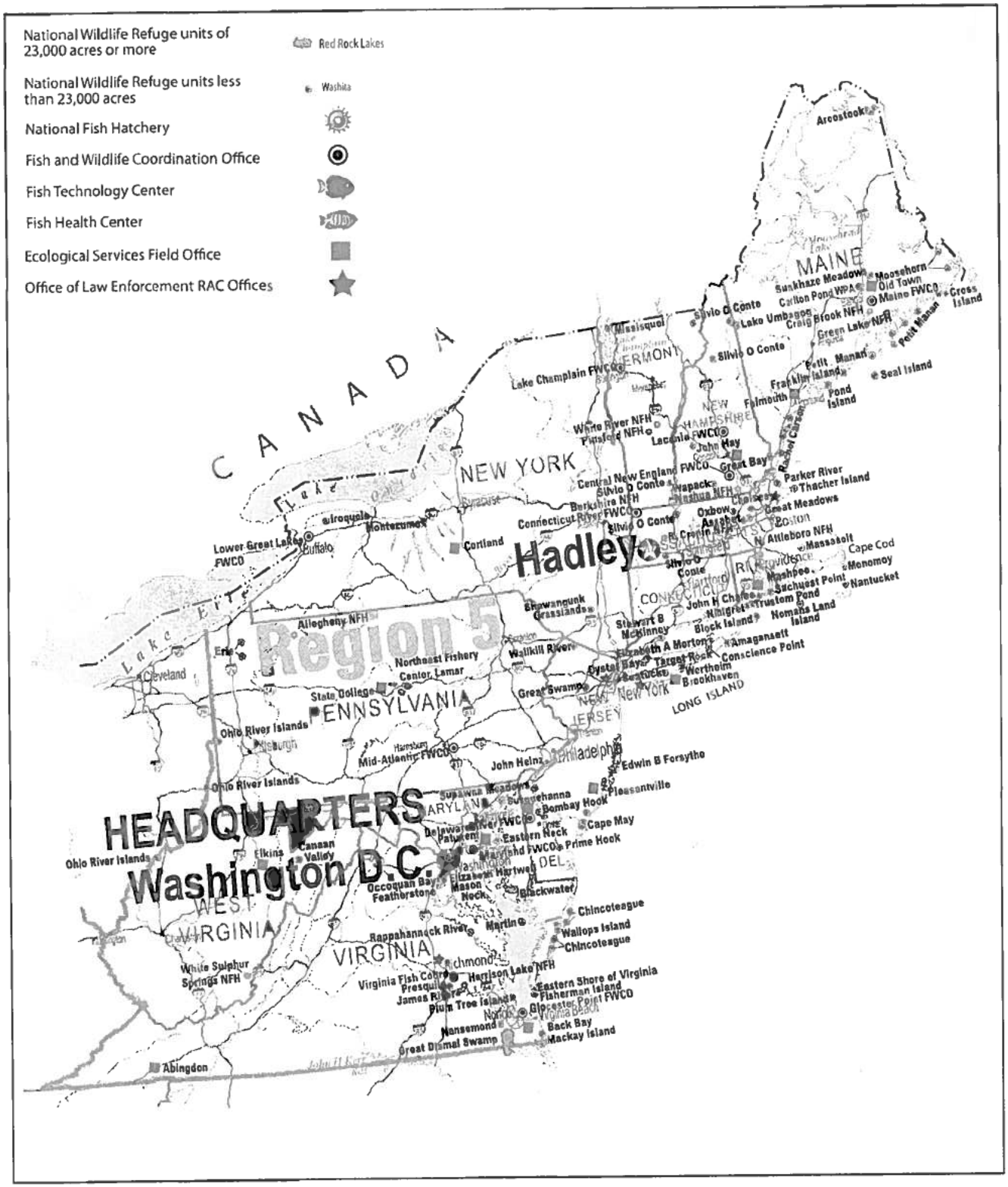
0 100 200 400 Miles

0 100 200 400 Kilometers

U.S. Fish & Wildlife Service

Region 5

Connecticut, Delaware, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia

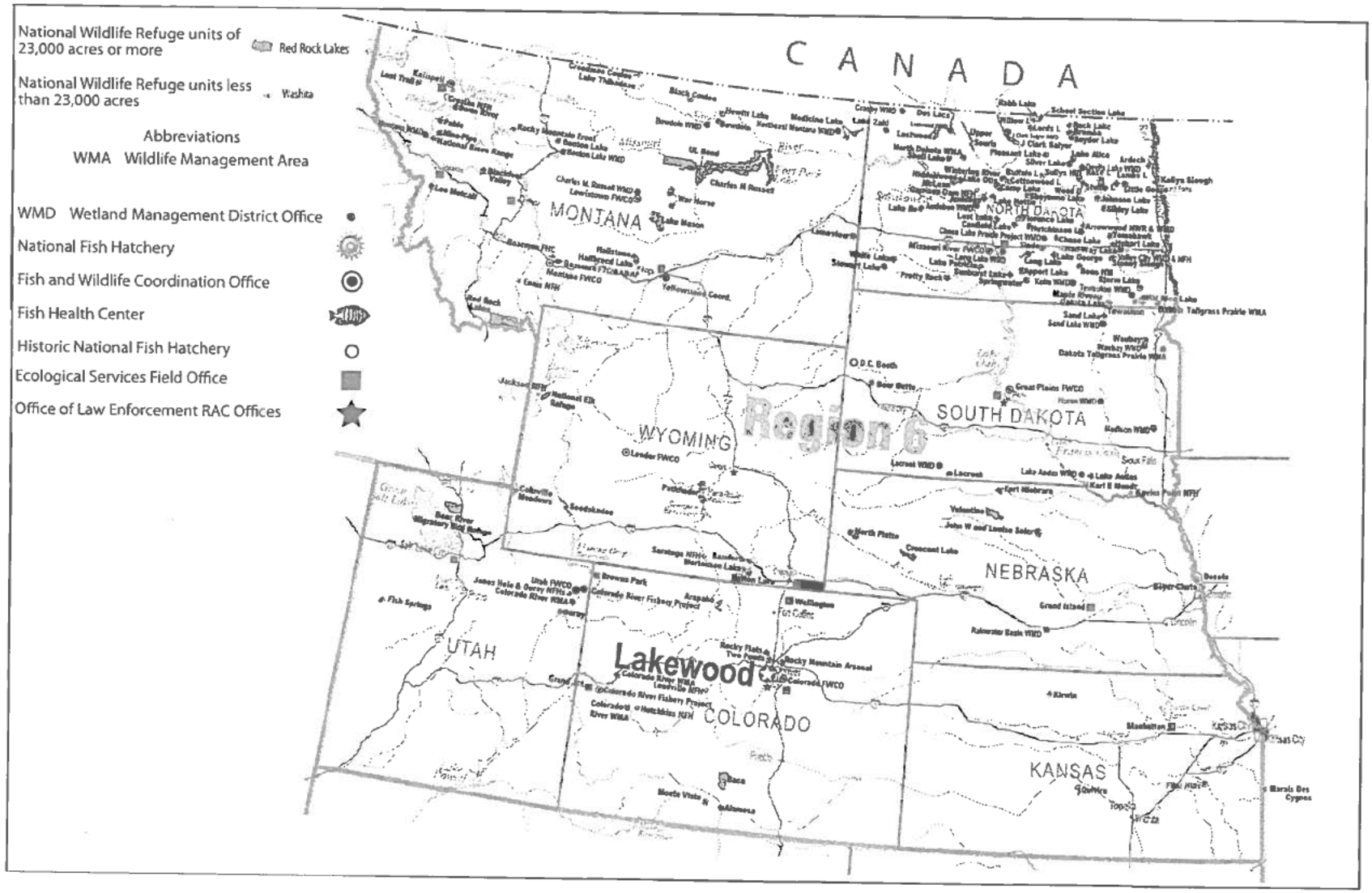


PRODUCED IN THE DIVISION OF REALTY
WASHINGTON, DC
LAND STATUS CURRENT TO: 9/30/2008
MAP DATE: 10/31/2008
BASEMAP: USGS NATIONAL ATLAS
MERIDIAN: N/A
FILE:

U.S. Fish & Wildlife Service

Region 6

Colorado, Kansas, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming



PRODUCED IN THE DIVISION OF REALTY
WASHINGTON, DC
LAND STATUS CURRENT TO: 9/30/2008
MAP DATE: 10/10/2008
BASEMAP: Telegraphic
MERIDIAN: NA
FILE

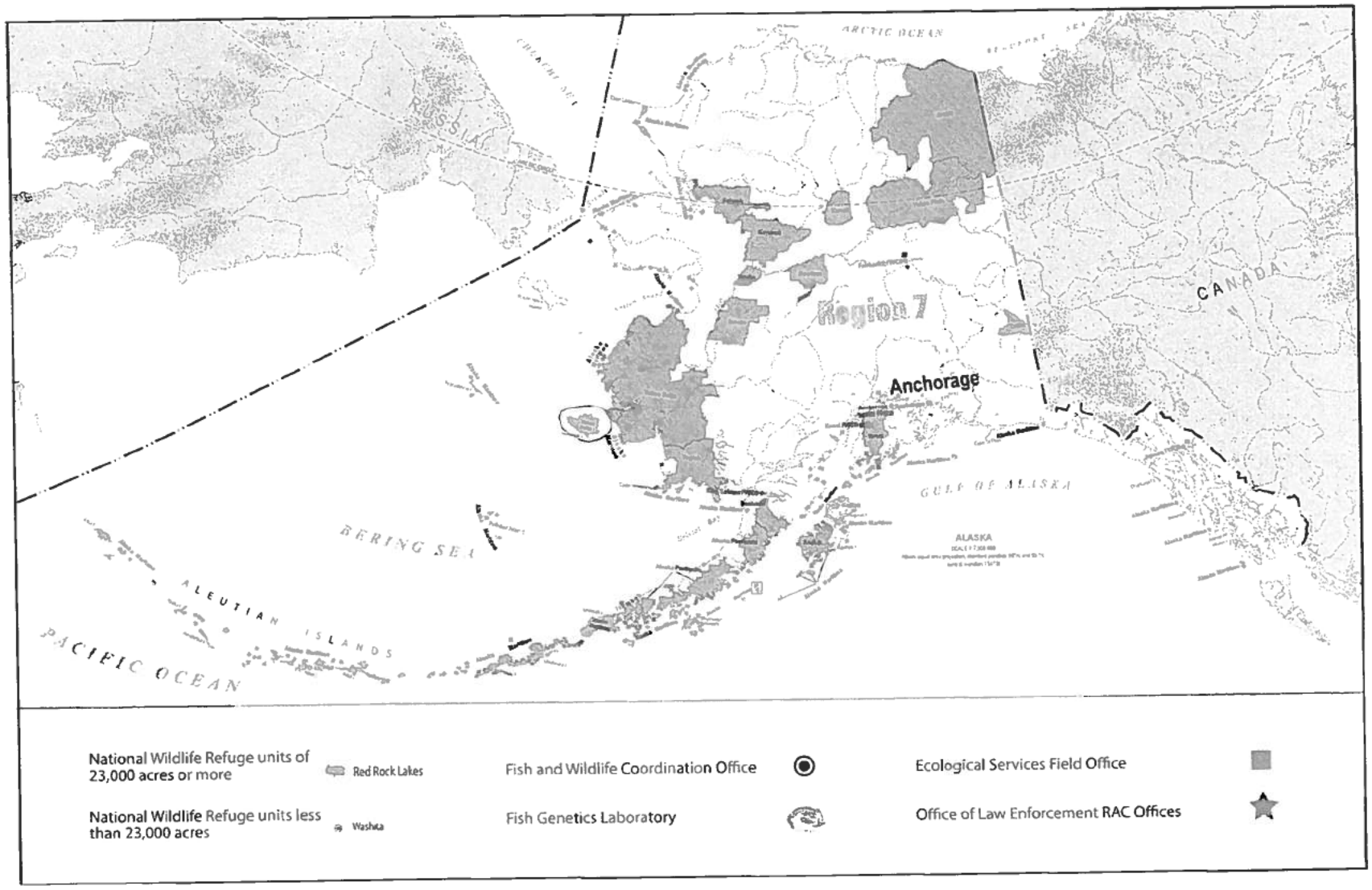
0 100 200 400 Miles

0 100 200 400 Kilometers

U.S. Fish & Wildlife Service

Region 7

Alaska



PRODUCED IN THE DIVISION OF REALTY
WASHINGTON, DC
LAND STATUS CURRENT TO: 9/30/2008
MAP DATE: 10/10/2008
BASEMAP: Tethographix
MERIDIAN: NA

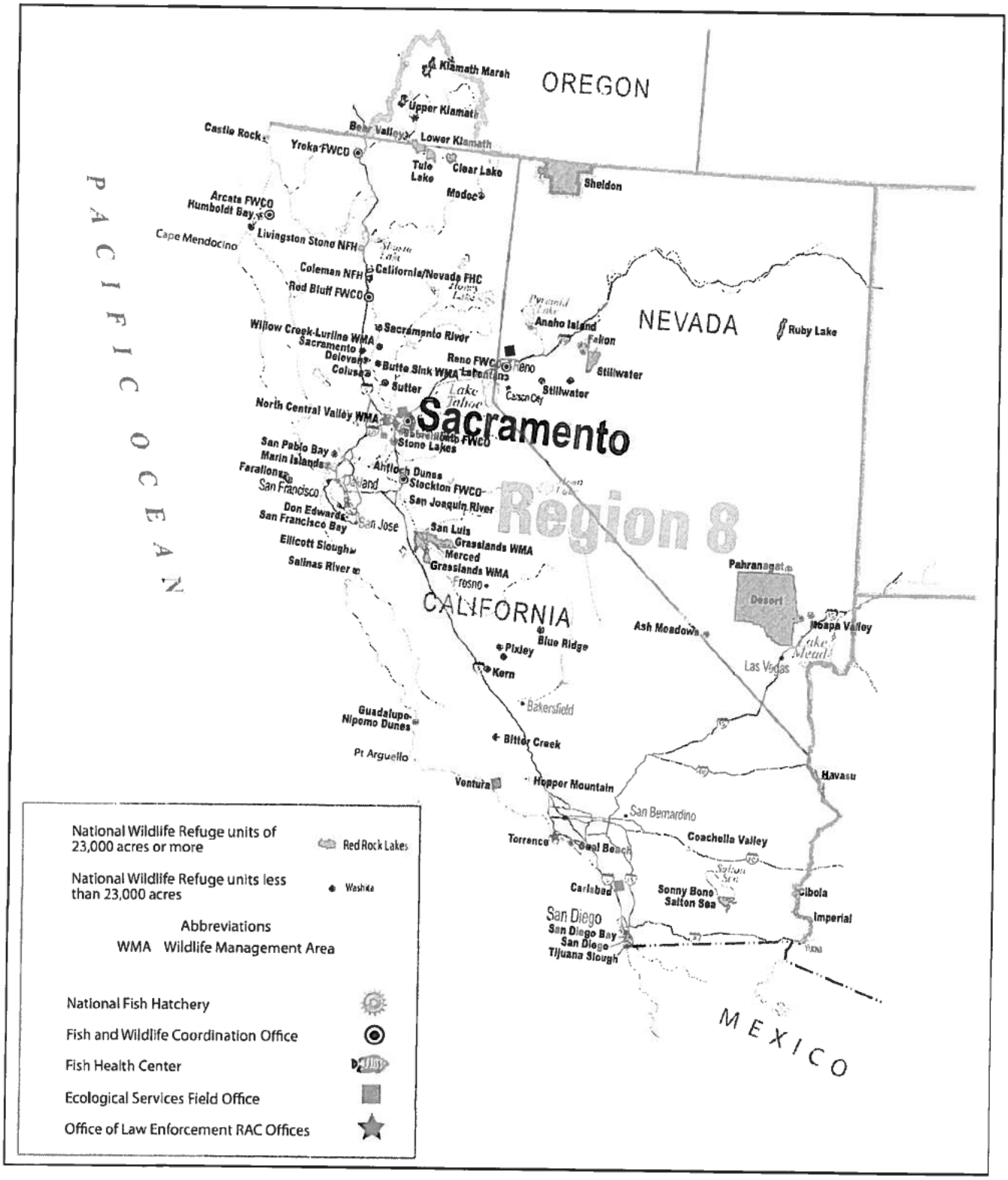
0 175 350 700 Miles

0 175 350 700 Kilometers

U.S. Fish & Wildlife Service

Region 8

California, Nevada (excluding Sheldon National Wildlife Refuge), Oregon (Klamath River watershed only)



PRODUCED IN THE DIVISION OF REALTY
WASHINGTON, DC
LAND STATUS CURRENT TO: 9/30/2008
MAP DATE: 10/31/2008
BASEMAP: USGS NATIONAL ATLAS
MERIDIAN: N/A
FILE:

0 50 100 200 Miles

0 50 100 200 Kilometers

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Resource Management	6,750	1,082,616	6,725	1,068,886	-25	-13,730
Construction	113	33,162	108	12,180	-5	-20,982
Land Acquisition	73	34,596	36	10,171	-37	-24,425
Landowner Incentive Grants	3	0	3	0	0	0
Private Stewardship Grants	1	0	1	0	0	0
Coop. Endangered Species Conservation Fund	26	73,831	26	75,501	0	+1,670
National Wildlife Refuge Fund	0	13,980	0	10,811	0	-3,169
North American Wetlands Conservation Fund	9	41,981	9	42,647	0	+666
Multinational Species Conservation Fund	4	7,875	4	4,256	0	-3,619
Neotropical Migratory Bird Grants	1	4,430	1	3,960	0	-470
State and Tribal Wildlife Grants	19	73,830	19	73,830	0	0
Wildlife Appreciation and Conservation	0	0	0	-497	0	-497
Subtotal, Appropriations *(w/o fire)*	6,999	1,366,301	6,932	1,301,745	-67	-64,556
Fire Repayments	0	+7,773	0	0	0	-7,773
Subtotal, Appropriations *(w/ fire)*	6,999	1,374,074	6,932	1,301,745	-67	-72,329
Mandatory Appropriations						
Federal Lands Recreation Enhancement Act	26	4,500	26	4,500	0	0
Migratory Bird Conservation Account	66	40,000	76	54,036	+10	+14,036
National Wildlife Refuge Fund	18	12,000	18	12,000	0	0
North American Wetlands Conservation Fund	0	4,583	0	500	0	-4,083
Sport Fish Restoration Account	69	491,338	69	466,672	0	-24,666
Federal Aid in Wildlife Restoration	49	340,035	49	347,746	0	+7,711
Miscellaneous Permanent Appropriations	6	5,800	6	6,800	0	+1,000
Contributed Funds	11	3,400	11	3,400	0	0
Coop. Endangered Species Conservation Fund	0	52,372	0	51,242	0	-1,130
Subtotal, Mandatory Appropriations	245	954,028	255	946,896	+10	-7,132
Reimbursements and Allocation Transfers						
Reimbursements	916	0	916	0	0	0
Job Corps	0	0	0	0	0	0
Southern Nevada Public Lands Management Act	11	0	11	0	0	0
Wildland Fire Management	538	0	535	0	-3	0
Hazardous Fuels End. Species Consultations	16	0	16	0	0	0
NRDAR	60	0	60	0	0	0
Hazardous Materials	6	0	6	0	0	0
Federal Roads (FHWA)	14	0	14	0	0	0
Forest Pest (Agriculture)	1	0	1	0	0	0
Subtotal, Reimbursements/Allocation Transfer	1,562	0	1,559	0	-3	0
TOTAL, FISH AND WILDLIFE SERVICE *(w/o fire)*	8,806	2,320,329	8,746	2,248,641	-60	-71,688
TOTAL, FISH AND WILDLIFE SERVICE *(w/ fire)*	8,806	2,328,102	8,746	2,248,641	-60	-79,461

U.S. Fish and Wildlife Service
Budget Overview

Major Budget Trends:

- The Fish and Wildlife Service budget increased by $565.5 million or 71 percent over the last 10 years in nominal dollars. In constant dollars this is an increase of 37 percent. Staffing measured in FTE increased by 6 percent.

- Over the last ten years, in constant dollar terms, operational funding grew significantly through 2004, but declined 9 percent from peak funding by 2008. Construction and Land Acquisition funding declined significantly, while funding for grant programs expanded dramatically.

- The budget for the Service's primary operating account, Resource Management, increased by $421.5 million over the last 10 years in nominal dollars. In constant dollars this is an increase of 32 percent. The bulk of the funding increases were in a lead up to the Refuge System Centennial in 2003. Funding in constant dollars has declined 9 percent since 2004. Individual briefing papers are provided for each of the Service's major programs: Endangered Species; Fisheries and Aquatic Resources; National Wildlife Refuge System; Migratory Bird Conservation; Law Enforcement; and International Affairs.

- Annual appropriations for the Service's Construction account decreased by $17.3 million over the last 10 years in nominal dollars. In constant dollars this is a decrease of 47 percent.

- Annual appropriations for the Service's Land Acquisition account decreased by $13.4 million over the last 10 years in nominal dollars. In constant dollars this is a decrease of 42 percent.

- Annual appropriations for the Cooperative Endangered Species Conservation Fund increased by $59.8 million over the last 10 years in nominal dollars. In constant dollars this is an increase of 427 percent.

- Annual appropriations for the National Wildlife Refuge Fund increased by $3.2 million over the last 10 years in nominal dollars. In constant dollars this is an increase of 4 percent.

- Annual appropriations for the North American Wetlands Conservation Fund increased by $27.0 million over the last 10 years in nominal dollars. In constant dollars this is an increase of 125 percent.

- Annual appropriations for Multinational Species Conservation Fund and Neotropical Migratory Bird Conservation Fund increased by $10.3 million over the last 10 years in nominal dollars. In constant dollars this is an increase of 395 percent.

- Congress initiated the State and Tribal Wildlife Grants program in 2002. The program increased from $60 million in 2002 to $73.8 million in 2008.

FY 2009 Budget:

- The 2009 request for current appropriations totals $1.302 billion, $64.6 million below the 2008 enacted level and $15.0 million above the 2008 President's budget.
- The budget also includes $932.7 million available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation.

Resource Management.The 2009 request includes $1.069 billion for Resource Management, an increase of $35 million above the 2008 President's budget and a decrease of $14 million below the 2008 enacted level. Key changes in the 2009 request as compared to the 2008 enacted include:

- The Department's 2009 Safe Borderlands Initiative includes a $1.0 million increase for Refuge Law Enforcement to increase the number of Refuge Law Enforcement Officers deployed to border wildlife refuges by six. Four of the refuge system's five border refuges will meet the recommended level of law enforcement staffing as identified in the International Association of Chiefs of Police Law Enforcement Deployment Model.

- The President's budget includes $92.7 million that supports the Department's Birds Initiative, an increase of $8.0 million above the 2008 enacted level. The increase includes funding for Joint Ventures which are important cooperative conservation programs. The request also retains $10.0 million in refuge system funding which will fund projects that conserve migratory birds and their habitat.

- The Department's 2009 Oceans and Coastal Frontiers Initiative includes $900,000 for the refuge system which will support marine debris research and monitoring and the Service's participation in the Palmyra Atoll Research Consortium. Funding will support a unique cooperative conservation partnership and habitat restoration efforts between the Service, USGS, The Nature Conservancy and eight noted universities.

- Healthy Lands initiative includes a $2.0 million for FWS, including a $492,000 increase for the partners for Fish and Wildlife program.
    - The Service will work cooperatively with BLM, USGS, and other stakeholders to provide increased assistance to private landowners to improve habitat and protect species.
    - The Service will also provide enhanced planning and consultation support to BLM to ensure energy development impacts to wildlife and habitat are effectively mitigated and listing of species is avoided.

- -$3.7 million net programmatic decrease for the Endangered Species Program.
    - -$2.6 million primarily to remove Congressional earmarks within the Recovery Program
    - -$1.1 million to remove an earmark and the Congressional increase provided in 2008
    - +$1.1 million to implement the Yellowstone Grizzly Bear Conservation Strategy
    - The budget is essentially equal to the 2008 request

- -$2.1 million net programmatic decrease for the Partners for Fish and Wildlife Program.

- +$492,000 for the Green River Basin initiative
- - $2.6 million to remove Congressional earmarks and adds +$750,000
- The budget also continues the Upper Klamath Basin partnership at $3.3 million and the Lower Klamath Basin initiative at $2.0 million.

- The National Wildlife Refuge System is funded at the 2008 enacted level of $434.1 million.
  - +$1.0 million for Refuge Law Enforcement under the Safe Borderlands Initiative
  - +$900,000 for Wildlife and Habitat Management under the Oceans and Coastal Frontiers Initiative
  - The increases are offset by reductions in Refuge Visitor Services, Conservation Planning, and Annual Maintenance

- -$11.1 million for the Fisheries and Aquatic Resources Program
  - -$5.9 million to discontinue the Open Rivers Initiative, reducing funding for the Fish Passage Program to 2007 levels
  - -$1.5 million for mass fish marking activities in Washington State

Construction. The construction request totals $12.2 million, a decrease of $20.9 million compared to 2008 enacted level. Of this reduction, $1.1 million is for core engineering services. The request includes $800,000 to complete the visitor center at Neosho National Fish Hatchery in Missouri. It also includes $1.2 million for migratory bird survey aircraft replacement.

Land Acquisition. The land acquisition request is $10.2 million, a $24.4 million reduction compared to the 2008 enacted level. Of this reduction, $4.9 million is for acquisition management. The budget includes $400,000 for land acquisition at the Alaska Maritime National Wildlife Refuge for bird, seal, and Steller sea lion conservation on St. George Island. It also includes $500,000 for habitat protection and restoration at the Upper Mississippi National Wildlife Refuge in Wisconsin.

FWS Grant Programs:
The Service utilizes several cost sharing grant programs to achieve its conservation objectives. Notable program changes in 2009 are:

- **$47.3 million for the North American Wetlands Conservation Fund**, an increase of $5.2 million above the 2008 enacted level. The program provides matching grants to private landowners, States, non-governmental conservation organizations, Tribes, trusts, corporations, and other federal agencies for acquisition, restoration, and enhancement of wetland habitat.

- **$75.5 million for the Cooperative Endangered Species Conservation Fund**, an increase of $1.7 above the 2008 enacted level. The program provides grants to States to support endangered species conservation.

- **$73.8 million for the State and Tribal Wildlife Grants program**, an amount equal to the 2008 enacted level. The request maintains the $6.3 million increase Congress provided in 2008.

FISH AND WILDLIFE SERVICE
NATIONAL WILDLIFE REFUGE SYSTEM

(dollars in millions)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Appropriations	238.2	262.06	300.7	320.0	388.4	391.2	375.8	382.5	398.2	434.1	434.1	0.0
FTE	2,735	2,812	2,784	2,785	2,964	3,067	3,013	2,946	2,845	2,871	2,877	+6.0

** Funding totals for 1999-2007 inclue one-time supplemental funding and net transfers.*

Key Points

- **The Refuge System Budget grew $150 million from 1999 to 2003, the year of the Refuge System Centennial, an increase of 63 percent. From 2003 to 2007 funding increased by $9.8 million, an increase of 2.5 percent. However, in 2008 an infusion of $35 million significantly addressed refuge funding needs.**

- **Recent studies by GAO, and by Management Systems International, have found that, while nominal funding for the refuge system has grown substantially over the last decade, "...inflation-adjusted core funding in 2007 was 2.3% below its peak of 2003" (GAO) and "[there has been an] 11 percent decline in the Refuge System's purchasing power between 2003 and the President's requested 2008 budget" (MSI).**

- **In order to improve management of the NWRS, FWS developed regional workforce plans, wherein field positions were identified for elimination so that salary savings could be applied to increase management capability. Management capability is defined as base operating dollars above the costs of salaries and benefits for permanent employees. The goal of the work force plans is to provide management capability by constraining personnel costs to no more than 80 percent of a field station's budget.**

- **Although staffing increased through 2005, employment in the National Wildlife Refuge System declined beginning in 2006.**

- **More than one fourth (155) of all refuges have or had oil and gas activity, some of which dates back over 80 years. As of 2003, there were more than 1,800 active and over 2,600 inactive oil and gas wells on refuge lands, and new drilling and production is ongoing. FWS currently does not have an accurate inventory of sites and a program to ensure oversight, management and remediation of damages. This has been an issue raised in recent budget requests.**

- **The annual damage to sensitive public lands and species from the cumulative effects of illegal immigration, drug smuggling and border enforcement actions has become a growing concern. The Service is responsible for managing natural resources along 158 miles of the International Border with Mexico in Arizona, Texas and California. These 1.1 million acres of federal wildlife refuges along the border provide important habitat for endangered species, migratory birds, and other wildlife. Along this border the Fish**

and Wildlife Service manages six national wildlife refuges and cares for more than 30 species listed under the Endangered Species Act.

- **The National Wildlife Refuge System Improvement Act of 1997 mandated that a Comprehensive Conservation Plan (CCP) be completed for every field station. There are a total of 554 field stations that require completed CCPs by 2012. The Service plans to complete 62 CCPs in 2009 to bring the total completed to 420. The remaining 134 plans are scheduled for completion in 2010 and 2011.**

Background

- The National Wildlife Refuge System (NWRS) spans more than 97 million acres across 548 national wildlife refuges. Sixteen refuges in Alaska comprise 76.8 million acres of the total acreage in the NWRS.

- Refuges vary in size from the tiny half-acre Mille Lacs Refuge in Minnesota to the massive 19 million acre Arctic National Wildlife Refuge in Alaska. In total, the Refuge System contains 548 refuges and 37 wetland management districts.

- For management purposes, many units of the Refuge System are managed with nearby units as a "refuge complex." Refuge complexing is the combining of administrative and budgeting functions from two or more refuge units to improve the efficiency of staffing and reduce operating costs.

- There are 585 units (548 National Wildlife Refuges and 37 Wetland Management Districts) in the NWRS, and approximately 435 of those units exist within complexes. Thus, approximately 150 units stand alone outside of complexes. Approximately 116 refuge complexes exist.

- 177 Marine and Coastal refuges (coastal, ocean, insular, Great Lakes) represent 30 percent of the total NWRS, covering 30,000 coastal miles and 35 million coastal acres.

- The National Wildlife Refuge System Refuge Improvement Act of 1997 provides the Refuge System with a clear comprehensive mission *"...to administer a national network of lands and waters for the conservation, management, and where appropriate, restoration of the fish, wildlife and plant resources and their habitats within theUnited States for the benefit of present and future generations of Americans."*

- The Service's Refuge System fulfills its mission through the management of activities in five major areas –Wildlife and Habitat Management, Visitor Services, Refuge Law Enforcement, Conservation Planning, and Refuge Maintenance. Through these subactivities, the Refuge System monitors, restores, and protects wildlife and habitat, maintains facilities, supports wildlife-dependent recreation, and conducts other activities to achieve strategic goals. Each of these activities appeals to strategic and end outcome goals articulated in the DOI Strategic Plan.

- The Refuge System's programs support Service goals for resource conservation, protection, recreation, and service to communities. The Refuge System is also proud to work with other Federal agencies to conduct vital conservation projects to achieve these goals. For example, the Service is working with the U.S. Geological Survey to conduct ongoing biological monitoring of wildlife populations and habitat to improve refuge management.

FY 2009 Budget:

- The 2009 budget for the refuge system includes funding for three Departmental initiatives: Migratory Birds, Safe Borderlands, and Oceans and Coastal Frontiers. The refuge system budget includes $10.0 million under the Migratory Bird Initiative to restore habitat and other bird conservation activities. The refuge System will use this funding to achieve the habitat restoration goals President Bush describe during his recent speech at the Patuxent Research Refuge.

- The refuge system budget includes $1.0 million within the Safe Borderlands initiative to hire 6 new refuge law enforcement officers. The increase will allow the refuge system to provide the full recommended complement of officers at four of its five border refuges.

- The refuge system will support the Oceans and coastal Frontiers initiative with a $900,000 increase. The increase will fund a marine debris research and management project as well as the Service's participation in the Palmyra Atoll Research Consortium which studies the pristine coral and marine ecosystem surrounding the atoll.

- Refuge Visitor Services is decreased by $586,000 and Conservation Planning is reduced by $984,000. These reductions will allow the Service to fund increases that benefit birds and borders.

FISH AND WILDLIFE SERVICE
ENDANGERED SPECIES / CESCF

(dollars in millions)

Fiscal Year Appropriations	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Res. Mgmt. - ES	105.8	101.1	115.9	125.7	131.8	136.8	141.4	148.4	145.0	150.5	146.8	-3.7
CESCF	14.0	23.0	104.7	96.2	80.5	81.6	80.5	80.0	81.0	73.8	75.5	+1.7
FTE	921	1,007	1,056	1,113	1,149	1,169	1,102	1,058	1,030	1,036	1,034	-2

** Funding totals for 1999-2007 inclue one-time supplemental funding and net transfers.*

Key Points:

- **The Fish and Wildlife Service in the Department of the Interior and NOAA- Fisheries in the Department of Commerce share responsibility for administration of the Endangered Species Act.**

- **The 2009 President's Budget Request for the Endangered Species program is $146.8 million, a reduction of $3.7 million from the 2008 enacted level.**

- **On 15 August 2008, the Department of the Interior's Fish and Wildlife Service (FWS) and the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) released a joint proposed rule to amend regulations governing interagency cooperation under the Endangered Species Act (ESA).**

- **The proposed rule is intended to update a portion of the ESA regulations governing the endangered species responsibilities of federal agencies (section 7). Each federal agency is responsible under Section 7 regulations to consult with the FWS and NOAA before they undertake an action that may affect an endangered species. Under the proposed rule,in some narrow situations, action agencies are allowed to determine the effects of their own actins without concurrence from FWS. Also, the proposal adds timelines to help limit the duration of informal consultation and lend greater certainty to the process. Finally, FWS and NOAA propose these regulatory changes in response to new challenges with regard to global warming and climate change.**

- **As of August 2008, there are 1,353 U.S. listed threatened and/or endangered species.**

Background

FWS Responsibilities under the Endangered Species Act

- The Fish and Wildlife Service's Endangered Species program is composed of four program elements: Candidate Conservation, Listing, Consultation and Recovery. Each component is integral in fulfilling the Service's responsibilities under the Endangered Species Act. Our activities are complemented by the projects funded through the Cooperative Endangered Species Conservation Fund.

Candidate Conservation

- The Candidate Conservation program is implemented through a proactive and collaborative approach with states and territories, tribes, federal agencies, and the private sector to keep species from declining to the point that they warrant listing under the Endangered Species Act. Through this program the Service works to: (1) identify species that are on the brink of becoming listed or that face threats that make listing a possibility; (2) provide information, planning assistance, and resources to encourage partnerships for conservation measures for these species; and (3) prioritize non-listed species so those most needing protection or additional study are addressed first. The Service believes this collaborative approach is an essential conservation tool that proactively addresses species decline, removes or reduces threats, and initiates actions so that listing might not be necessary.

Listing

- The Endangered Species Act of 1973 (ESA) gives the Secretary of the Interior responsibility for determining whether to place an animal or plant on the Federal list of endangered and threatened species. This responsibility is delegated to the Director of the U.S. Fish and Wildlife Service (FWS). The Director has authority to approve all petition findings, listing proposals, and final listing determinations.

- A species can be listed under the ESA in two different ways: through the petition process or through the candidate assessment process. The ESA provides that any interested person may petition the Secretary of the Interior to add a species to, or to remove a species from, the list of endangered and threatened species. Through the candidate assessment process, FWS biologists identify species as listing candidates. Both processes may result in a species being proposed for Federal listing under the ESA.

Consultation

- The Endangered Species Act (ESA) directs all Federal agencies, not just the Fish and Wildlife Service and National Marine Fisheries Service, to participate in endangered species conservation. Specifically, section 7 of the ESA charges Federal agencies to aid in the conservation of listed species (section 7 (a)(1)) and requires Federal agencies to ensure that their activities will not jeopardize the continued existence of listed species or adversely modify designated critical habitats (section 7 (a)(2)).

Habitat Conservation Plans

- After passage of the Endangered Species Act (ESA) of 1973, both the Federal government and non-Federal landowners became concerned that a property owner's otherwise lawful

activity that might result in the unintentional take of a listed species would be prohibited, even if the landowner was willing to plan activities to conserve the species. To resolve this problem, Congress amended section 10 of the ESA in 1982 to authorize "incidental take" through the development and implementation of Habitat Conservation Plans or HCPs.

- An incidental take permit allows a property owner to conduct otherwise lawful activities in the presence of listed species. A non-Federal entity (e.g., a landowner or local government) develops an HCP in order to apply for an incidental take permit under section 10(a)(1)(B) of the ESA. The HCP integrates the applicant's proposed project or activity with the needs of the species. It describes, among other things, the anticipated effect of a proposed taking on the affected species and how that take will be minimized and mitigated. Such information must be submitted with any incidental take permit application.

Recovery

- The Endangered Species Act has as its primary purpose the conservation of endangered and threatened species and the ecosystems upon which they depend. It focuses on a single, ultimate goal: to recover listed species to a point where they have become secure, selfsustaining components of their ecosystems and no longer need protection by the Act. Restoring threatened and endangered species presents a tremendous challenge. At the time of listing, many species face multiple threats and have a very limited habitat base. Most listed species have their own unique sets of recovery problems and solutions.

- Implementing the Service's Endangered Species Recovery Program for more than 1,300 listed species involves staff in offices from all the key Service programs, including Ecological Services, Refuges, Fisheries, Law Enforcement, and Partners for Fish and Wildlife. In addition, the Service has many public and private partners in the recovery effort: other federal, state, and local agencies; tribes; conservation organizations; businesses; and private landowners. The first step in the recovery process is the preparation of a plan that provides a comprehensive recovery strategy and a prioritized list of conservation measures needed to address threats, reverse declines, and achieve recovery.

- The highest priority recovery actions involve efforts to prevent the extinction of species. Another frequent first step in moving a threatened or endangered species towards recovery is gaining an understanding of the threats and the effects those threats have on population status. The ecological requirements for feeding, breeding, sheltering, and nurturing may not be fully understood at the time a species is listed. Recovery implementation covers a myriad of other important actions, such as managing threats through habitat protection and restoration or augmenting a severely depleted population with captive breeding. All recovery activities require time for a threatened or endangered species to respond biologically. The Service engages many different stakeholders in the recovery implementation process to conserve endangered and threatened species.

Cooperative Endangered Species Conservation Fund

- Grants offered through the Cooperative Endangered Species Conservation Fund (authorized under section 6 of the Endangered Species Act) fund participation in a wide array of

voluntary conservation projects for candidate, proposed and listed species. These funds may, in turn, be awarded to private landowners and groups for conservation projects.

- By law, the participating state or territory must have a current cooperative agreement with the Secretary of the Interior and contribute 25 percent of the estimated program costs of approved projects, or 10 percent when two or more States or Territories undertake a joint project. The grants are expected to be awarded soon after federal appropriations are provided for fiscal year 2009.

- **Formula Based Grants to States (ESA Section 6 grants)** – These grants are awarded by formula for the implementation of conservation projects benefiting federally listed threatened or endangered species. States must provide 25% matching funds of estimated project cost; or 10% when two or more States or Territories implement a joint project.

- **Recovery Land Acquisition Grants** - These grants provide funds to States and Territories for acquisition of threatened and endangered species habitat in support of approved and draft species recovery plans. Acquiring habitat in order to secure long term protection is often the critical element in a comprehensive recovery effort for a listed species.

- **Habitat Conservation Planning Assistance Grants** - This category provides funds to States and Territories to support the development of Habitat Conservation Plans (HCPs). The purpose of an HCP is to ensure adequate protection for threatened and endangered species, while at the same time providing for economic growth and development. These grants provide support for baseline surveys and inventories, document preparation, outreach, and similar planning activities.

- **HCP Land Acquisition Grants** - These grants provide funds to States and Territories to acquire land associated with approved HCPs. Grants do not fund the mitigation required of an HCP permittee, but rather, support acquisitions by the state or local governments that complement actions associated with the HCP.

Budget Trends

Resource Management funding for the Endangered Species program has increased from $105.8 million in 1999 to $150.5 million in 2008, an increase of 14 percent in constant dollars.

Funding for the Cooperative Endangered Species Conservation Fund has increased from $14.0 million in 1999 to $73.8 million in 2008, an increase of 324 percent in constant dollars.

2009 Budget

The 2009 Budget included $146.8 million for Endangered Species, a reduction of $2.6 million from the 2008 enacted level. The 2009 request eliminates $1.3 million in earmarks and includes general program reductions of $2.7 million.

Listed Species Range By State/Territory as of Wed Oct 1 12:59:59 MDT 2008

(Distributions Reflect Published Historic Range)

525

FISH AND WILDLIFE SERVICE
FISHERIES AND AQUATIC RESOURCES

(dollars in millions)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Appropriations	73.6	83.9	92.0	103.9	106.6	114.3	114.6	116.5	117.8	126.4	116.6	-9.8
FTE	704	725	717	766	785	813	797	778	783	813	777	+36.0

** Funding totals for 1999-2007 inclue one-time supplemental funding and net transfers.*

Key Points:

- **Many aquatic resources are declining at alarming rates despite conservation efforts by the Service and its partners. Loss of habitat and invasive species are the two most significant threats to the diversity of aquatic systems. One-third of the Nation's freshwater fish species are threatened or endangered, 72 percent of freshwater mussels are imperiled, and the number of threatened and endangered species has tripled in the last 20 years.**

- **Emerging conservation issues such as viral hemorrhagic septicemia virus (VHS), spring viremia of carp (SVC), and potential adverse effects of climate change also pose serious threats to the health of aquatic resources, as well as to the many important recreational and commercial fisheries they support.**

- **To accomplish aquatic species propagation, health, scientific, and management tasks associated with nearly 100 species of fish and a growing variety of imperiled native mollusks, amphibians, and plants, it is crucial that the infrastructure and equipment assets be maintained in good working condition.**

- **To meet the special requirements associated with non-fish species propagation, existing assets usually require substantive renovation. Fisheries Program assets and equipment total over $1.32 billion, of which nearly 3/4 are critical water management assets. Without these water assets in proper operating condition, accomplishing the Fisheries program mission is much more challenging.**

- **The average age of National Fish Hatcheries is over 63 years and some infrastructure, including an array of mission critical water management assets, are in a condition that jeopardizes captive populations of any number of imperiled species and broodstocks held on our Hatcheries.**

Background

- The mission of the Service's Fisheries and Aquatic Resources Program is to work with partners to restore and maintain fish and other aquatic resources at self-sustaining levels, and to support Federal mitigation programs for the benefit of the American public.

- The Fisheries Program consists of almost 800 employees nationwide, located in 64 Fishery Resource Offices, including a Conservation Genetics Laboratory, 69 National Fish Hatcheries, 9 Fish Health Centers, 7 Fish Technology Centers and a Historic National Fish Hatchery.

- The components of the Fisheries Program include the National Fish Hatchery System, the Fish and Wildlife Conservation program, the Aquatic Invasive Species program, and the Marine Mammals program.

- The role of the National Fish Hatchery System has changed and diversified greatly over the past 30 years as increasing demands are placed upon aquatic systems. In recent years, the Service has maximized the output of its work force by integrating the work of fish hatcheries and fisheries management. This integrated effort has resulted in cohesive, more efficient national restoration programs, such as those for Great Lakes lake trout, Atlantic Coast striped bass, Atlantic salmon, and Pacific salmon. The Service continues to work with its stakeholders -- Federal agencies, State resource agencies, Tribal governments, and private organizations-- to improve fishery conservation efforts.

- The Fisheries Program propagates and stocks fish to mitigate for the loss of recreational fisheries on behalf of Federal water development agencies. According to a recent peer-reviewed analysis of the top eleven National Fish Hatcheries (in terms of rainbow trout stocking in FY 2004), the $5.4 million expended on these activities generated 3.9 million angler days and over $172 million in angler-related expenditures, supported over 3,500 jobs, and resulted in over $325 million in total economic benefits to State and local communities.

- In close coordination with the Endangered Species Program, the Fisheries Program currently provides captive propagation/stocking, refugia, and assessment and monitoring activities for 57 threatened and endangered species to meet specific tasks prescribed in Recovery Plans.

- Over the last two centuries millions of culverts, dikes, water diversions, dams, and other artificial barriers were constructed to impound and redirect water for irrigation, flood control, electricity, drinking water, and transportation. Many dams and other structures are obsolete and no longer serve their original purpose. Barriers prevent natural fish migrations, keeping them from important habitats. As a result, some populations of native fish are gone and others are on the brink of disappearing.

- The National Fish Passage Program uses a voluntary, non-regulatory approach to remove and bypass barriers. The Program addresses the problem of fish barriers on a national level, working with local communities and partner agencies to restore natural flows and fish migration.

- The National Fish Habitat Action Plan is a national investment strategy to maximize the impact of conservation dollars on the ground. Under the Action Plan, Federal, state, and privately-raised funds will be the foundation for building regional partnerships that address the Nation's biggest fish habitat problems. This is the most comprehensive effort ever

attempted to treat the causes of fish habitat decline, not just the symptoms. By 2010 the National Fish Habitat Action Plan will:

- Assess the condition of all fish habitats in the U.S.
- Prepare a Status of Fish Habitats in the U.S. report
- Establish 12 or more Fish Habitat Partnerships in priority areas
- Fund projects to protect, restore, and enhance priority habitats.

- Fish Habitat Partnerships are the primary work units of the National Fish Habitat Action Plan. These partnerships are formed around important aquatic habitats and distinct geographic areas, (e.g., Southeast Aquatic Resources Partnership,) "keystone" fish species (e.g., eastern brook trout and western native trout), or system types (e.g., large lakes, impoundments, estuaries). Fish Habitat Partnerships are modeled after bird conservation Joint Ventures.

Budget Trends

Funding for Fisheries and Aquatic Resources Conservation has increased from $114.3 million in 2004 to $126.4 million in 2008, a very small decline in constant dollars.

2009 Budget

The 2009 Budget included $116.6 million for Fisheries and Aquatic Resources Conservation, a reduction of $9.9 million from the 2008 enacted level. The 2009 request eliminates $1.9 million in earmarks, reduces funding for fish passage by 54 percent (-$5.9 million), and includes a general program reductions of $1.6 million.

FISH AND WILDLIFE SERVICE
LAW ENFORCEMENT/PORT INSPECTIONS

(dollars in millions)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007*	2008	2009 Request	Change from 2008 Enacted
Appropriations	36.943	39.405	49.6	50.4	51.6	53.6	54.7	56.1	57.3	59.6	57.4	-2.2
FTE	286	351	329	350	445	478	485	472	298	298	298	0.0

**Beginning in 2007 FTE from offsetting collections are not included in the totals.*

Key Points

- **The Service has not been able to replace retiring special agents. At the close of 2002 there were 238 special agents in place. By the end of 2008 that number had dropped to 211.**

- **There is a growing backlog of caseload work at the FWS forensics laboratory. Current casework "catch-up times" are from one month for chemistry to 6 months for genetics. As a result, the laboratory has stopped accepting evidence from State and international wildlife law enforcement agencies.**

- **Wildlife inspectors have improved efficiencies through risk assessment methodologies and by increased access to Automated Customs Environment/International Trade Data System for importer/exporter account and shipment manifest information. At the same time the growing volume of shipments puts additional strains on the program.**

Background

- The Service's Office of Law Enforcement's efforts focus on threats to wildlife resources – illegal wildlife trade, unlawful commercial exploitation, habitat destruction, and environmental hazards. Its overall mission is to enforce laws that help protect wildlife here and around the world and contributes to Service efforts to recover endangered species, conserve migratory birds, preserve wildlife habitat, safeguard fisheries, combat invasive species, and promote global wildlife conservation.

- The Office of Law Enforcement fields a force of special agents (criminal investigators with the authority to enforce wildlife laws anywhere in the United States) and wildlife inspectors (uniformed import/export control officers stationed at ports of entry and border crossings). Most are "officers on the beat" who report through seven regional law enforcement offices.

- A headquarters office provides national policy and direction for law enforcement operations; trains law enforcement personnel; fields a special investigations unit; provides intelligence support; oversees professional integrity; manages budgetary resources; and provides technical and administrative support for the organization.

- The primary wildlife laws enforced by the Service include the Endangered Species Act, the Lacey Act, the Migratory Bird Treaty Act, the Bald and Golden Eagle Protection Act, the Marine Mammal Protection Act, the African Elephant Conservation Act, the Wild Bird Conservation Act, and the Rhino and Tiger Conservation Act.

- Through its Law Enforcement program the Service operates a state-of-the-art Forensics Library located near Ashland, Oregon which conducts scientific analyses to help solve wildlife crimes. It also operates the National Wildlife Property Repository, which supplies confiscated wildlife items to qualified outside groups for educational use, and the National Eagle Repository, which provides Native Americans with eagle parts under a permit process for religious purposes.

Budget Trends

- Annual appropriations for the Service's Law Enforcement program increased by $22.7 million over the last 10 years in nominal dollars. In constant dollars this is an increase of 30 percent.

2009 Budget

- The 2009 budget requests eliminates a 2008 unrequested Congressional add of $3.0 million for Law Enforcement operations.

FISH AND WILDLIFE SERVICE
MIGRATORY BIRD CONSERVATION

(dollars in millions)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Appropriations	19.1	21.6	25.7	28.6	28.7	32.6	35.0	38.2	40.4	40.4	53.2	+12.8
FTE	152	166	176	197	207	208	205	200	217	217	242	+25.0

** Funding totals for 1999-2007 inclue one-time supplemental funding and net transfers.*

Key Points

- **A recent Audubon report documented 20 common species that have lost at least one-half their population in just four decades. On average, populations of common birds have plummeted 70 percent since 1967. FWS recently completed work on 37 focal species, which will focus efforts on conservation.**

- **The Migratory Bird program conducts surveys in cooperation with USGS which are used by the states to set hunting frameworks. FWS is partway done with its program to replace survey aircraft. Funding for survey aircraft is included in the Construction account.**

Background

The Division of Migratory Bird Management, Division of Bird Habitat Conservation, Regional Migratory Bird programs, Joint Ventures, and the Migratory Bird Hunting and Conservation Stamp Office comprise the Service's Migratory Bird Conservation Program. These units work cooperatively to prevent new bird species from joining those already on the Endangered or Threatened Species Lists.

Through the Migratory Bird Conservation program the Service:

- conducts population surveys, monitoring, and assessment activities for both game and non-game birds;
- manages migratory bird permits and hunting regulations;
- participates in international treaty negotiations related to migratory birds;
- manages overabundant bird populations and restore habitat where populations are declining;
- manages grants that implement on-the-ground activities to conserve migratory bird habitats;
- supports regional-scale biological planning, project implementation, and evaluation to achieve migratory bird objectives;
- coordinates efforts to reduce bird mortalities resulting from collisions with communication towers and power-lines, fisheries by-catch, pesticides, and other human-related causes; and
- works with children and adults and engage others to conserve migratory birds; especially through urban bird treaties.

Key Points

- **Preparations for the 15th Meeting of the Conference of the Parties to CITES in January 2010 are ongoing.**

- **Pending Legislation on Rare Cats and Canids Act, Cranes Act, and Wildlife without Borders Act.**

Background

- The Service, through the International Affairs Program, works with private citizens, local communities, state and federal agencies, foreign governments, and U.S. and international non-governmental organizations (NGO's) to promote a coordinated domestic and international strategy to protect, restore, and enhance the world's diverse wildlife and their habitats, with a focus on species of international concern.

- The Service has international responsibilities under some 40 conventions, treaties and agreements, including 3 particularly important conventions:
  - The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
  - The Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere (Western Hemisphere Convention); and
  - The Convention on Wetlands of International Importance (Ramsar).

- The International Affairs Program is separated into two functions:
  - **International Wildlife Trade** implements management and scientific requirements of domestic laws and international treaties enacted or ratified by the Congress for the conservation of species subject to trade.
  - **International Conservation** provides conservation education and technical training to local communities in the Caribbean, Latin America, Africa, the Near East, and Asia, pursuant to the Western Hemisphere Convention and bilateral international agreements in concert with the State Department. In addition, it manages the grants programs established under the Multinational Species Conservation Funds.

Budget Trends

Funding for the International Affairs program, which comprises less than one percent of the Service's main operating account, Resource Management, has seen moderate growth.

Funding has increased from $8.5 million in 2004 to $11.6 in 2008, an increase of $3.1 million.

2009 Budget

The 2009 Budget included $10.3 million for the International Affairs program, a reduction of $1.2 million from the 2008 enacted level. The 2009 request eliminates funding for the Caddo Lake RAMSAR Center earmark, and includes a general program reduction of $1.3 million.

FISH AND WILDLIFE SERVICE
STATE AND TRIBAL WILDLIFE GRANTS

Key Points

- **The State and Tribal Wildlife Grants program provides grants to States, Commonwealths and Territories through a formula-based distribution, and to Tribes through a national competitive award process. There is also a competitive program that uses a merit-based process to fund the best outcome-oriented, results based projects.**

- **The long-term goal of the State Grant program is to stabilize, restore, enhance, and protect species and their habitat that are of conservation concern. By doing so, the Nation avoids the costly and time-consuming process that occurs when habitat is degraded or destroyed and species' populations plummet, therefore needing additional protection through the Endangered Species Act or other regulatory processes.**

Background

- The program accomplishes its protection goals by, 1) focusing projects on species and their habitats that are in most need of conservation, 2) leveraging Federal funding through cost-sharing provisions with State and Territorial fish and wildlife agencies and 3) rewarding exemplary examples of outcome-oriented, results driven cooperative conservation.

- The long-term goal of the Tribal Grant Program is to provide funds to Federally recognized Tribal governments to develop and implement programs for the benefit of the wildlife and their habitat, including species of native American cultural or traditional importance and species that are not hunted or fished.

- State Wildlife Action Plans - The goal of the U.S. Fish and Wildlife Service in FY 2007 and 2008 was to ensure all 56 States and Territories (States) implement their State Comprehensive Wildlife Conservation Strategy (or Wildlife Action Plan). States use their Wildlife Action Plans to improve their strategic conservation planning, enabling them to focus their Federal and State financial resources on habitats and species in ways that will provide the most effective and efficient conservation.

- Indian Tribes are exempt from the requirement to develop wildlife plans, but individual Tribes continue their conservation work using resources from this nationally competitive program.

- Funding Planning and Implementation Grants -The Service developed new program guidance for State Wildlife Grants in 2007 that narrowed the scope of work that may be conducted under planning grants. This change restricts the content of State

planning grants to conducting internal evaluation of the Wildlife Action Plans and to obtaining input from partners and the public on how to improve the Plans. Through this restriction, the Service expects States will shift most of their SWG financial resources from spending on planning activities to conducting "implementation" work for more on-the-ground activities.

- The State Grant program leverages Federal funds through cost-sharing provisions. States and Territories provide a 25 percent match of total project costs for planning grants and 50 percent for implementation grants. Tribes are not required to provide a share of project costs, but many do, and some quite substantially.

- Tribal Wildlife Grants - These grants are used to provide technical and financial assistance to Tribes for the development and implementation of programs that benefit fish and wildlife resources and their habitat. Activities may include planning for wildlife and habitat conservation, fish and wildlife conservation and management actions, fish and wildlife related laboratory and field research, natural history studies, habitat mapping, field surveys and population monitoring, habitat preservation, conservation easements, and public education. The funds may be used for salaries, equipment, consultant services, subcontracts, acquisitions and travel.

- Grant recipients are selected through a nationally competitive process. Proposals are evaluated according to resource benefit, performance measures, work plan, budget, capacity building and their partnerships and contributions.

- State Competitive Grants – These grants are awarded to the highest ranking cooperative cnservation projects that are in State Wildlife Conservation Plans (State Wildlife Action plans). Priority will be given to cooperative conservation projects with an emphasis on performance results and outcomes. The competitive grants are designed to incentivizes States and other partners to integrate the principles of cooperation and performance into conservation projects.

State Wildlife Grants Apportionment

Catalog of Federal Domestic Assistance Number 15.634

FY 2008

State	Reverted Funds	2008 Funds	Total
Alabama	$ 20,321	$ 935,520	$ 955,841
Alaska	65,397	3,010,752	3,076,149
American Samoa	3,269	150,537	153,806
Arizona	30,977	1,426,119	1,457,096
Arkansas	15,279	703,396	718,675
California	65,397	3,010,752	3,076,149
Colorado	27,151	1,249,969	1,277,120
Connecticut	13,080	602,151	615,231
Delaware	13,080	602,151	615,231
District of Columbia	6,539	301,075	307,614
Florida	55,401	2,550,496	2,605,897
Georgia	32,384	1,490,853	1,523,237
Guam	3,269	150,537	153,806
Hawaii	13,080	602,151	615,231
Idaho	15,410	709,455	724,865
Illinois	44,547	2,050,836	2,095,383
Indiana	23,002	1,058,956	1,081,958
Iowa	16,456	757,576	774,032
Kansas	19,356	891,113	910,469
Kentucky	17,557	808,274	825,831
Louisiana	19,833	913,078	932,911
Maine	13,080	602,151	615,231
Maryland	17,117	788,017	805,134
Massachusetts	19,927	917,389	937,316
Michigan	37,496	1,726,216	1,763,712
Minnesota	26,249	1,208,456	1,234,705
Mississippi	15,026	691,714	706,740
Missouri	26,213	1,206,756	1,232,969
Montana	23,049	1,061,099	1,084,148
N. Mariana Islands	3,269	150,537	153,806
Nebraska	15,783	726,618	742,401
Nevada	21,235	977,594	998,829
New Hampshire	13,080	602,151	615,231
New Jersey	25,974	1,195,778	1,221,752
New Mexico	22,233	1,023,560	1,045,793
New York	62,942	2,897,698	2,960,640
North Carolina	31,112	1,432,290	1,463,402
North Dakota	13,080	602,151	615,231
Ohio	39,312	1,809,840	1,849,152
Oklahoma	19,895	915,933	935,828
Oregon	23,572	1,085,178	1,108,750
Pennsylvania	42,609	1,961,611	2,004,220

Puerto Rico	6,539	301,075	307,614
Rhode Island	13,080	602,151	615,231
South Carolina	16,181	744,939	761,120
South Dakota	13,080	602,151	615,231
Tennessee	22,671	1,043,709	1,066,380
Texas	65,397	3,010,752	3,076,149
Utah	18,373	845,844	864,217
Vermont	13,080	602,151	615,231
Virgin Islands	3,269	150,537	153,806
Virginia	26,567	1,223,059	1,249,626
Washington	26,874	1,237,210	1,264,084
West Virginia	13,080	602,151	615,231
Wisconsin	23,648	1,088,676	1,112,324
Wyoming	13,080	602,151	615,231
Total	$ 1,307,957	$60,215,040.00	**$61,522,997**

FISH AND WILDLIFE SERVICE
NEOTROPICAL MIGRATORY BIRD CONSERVATION GRANTS

Key Points

- **The Neotropical Migratory Bird Conservation Act (NMBCA) provides matching grants to partners throughout the ranges of migratory birds in the Western Hemisphere. Many of these long distant migrants are among those considered "common," or the birds you might see at your backyard feeder. Eleven of the 20 birds on Audubon's "List of the Top 20 Birds in Decline" are long-distance migrants that benefit from grants provided through the NMBCA.**

Background

- The projects supported by this program respond to the full range of needed conservation activities to promote and protect these neotropical migrants, including securing habitat, providing education and outreach, and conducting research and monitoring. These activities, while closely tied to bird conservation objectives outlined and contained in international bird conservation initiatives such as Partners in Flight, are also local in nature.

- The Audubon report identified habitat loss (particularly grasslands, wetlands and tropical forests) as one of the major factors contributing to the declines of many migratory bird populations. Over the past six years, the majority of NMBCA-funded projects have targeted grasslands, tropical forest ecosystems, or wetland ecosystems outside of the United States.

- These projects typically involve habitat protection, restoration or enhancement, and community outreach and education which are vital to sustaining the long term conservation of habitats via local community investment in resource conservation.

Budget Trends

- Through FY 2007, conservation partners have received approximately $21 million in grant funds in support of 225 projects in 34 countries and 44 U.S. States across the Western Hemisphere. Partners have contributed approximately $97 million in matching funds to these projects. All bird groups have benefited, including songbirds, raptors, shorebirds, and waterfowl.

Key Points

- **The Multinational Species Fund provides direct support in the form of technical and cost-sharing grant assistance to range countries for on-the-ground conservation of African and Asian elephants, rhinoceros, tigers, great apes, marine turtles and their habitats.**

Background

- The sustainability of species is influenced by these projects because the activities funded gradually change the perception of local people about the affect that species and their habitats have on their daily lives. Old customs and traditions related to coexistence with species are not altered until the people affected can be convinced that alternative practices will yield positive benefits. These changes are gradual because instant results related to agricultural or economic benefits are not possible.

- A number of activities designed to promote collaboration with key range country decision-makers which ultimately furthers sound policy development, international cooperation, and goodwill toward the U.S. among citizens of developing countries are funded through this program.

- The Fund strengthens law enforcement activities, build support for conservation among people living in the vicinity of the species' habitats, and provide vital infrastructure and field equipment needed to conserve habitats.

- The program strengthens local capacity by providing essential training, opportunities for newly trained staff to apply skills in implementing field projects, and opportunities for local people to gain project management expertise. By maintaining species-specific funds, focus can be given to the needs of species or species groups of particular importance to the American public.

- The range countries of these species are most often underdeveloped nations in Africa and Asia, where local people have few skills or little training in wildlife management. Funds provided are used for on-the-ground projects that provide local people and professional in-country wildlife researchers and managers with the tools and skills to effectively protect their country's wildlife and habitat resources. Without this assistance, it is likely that people in these nations will otherwise continue activities that result in further degradation of species and their habitats which may ultimately result in extinction.

- The small amount of assistance provided yields significant leveraged or in-kind support from partners and collaborators. More than $127 million in matching or in-kind support has been obtained since the first grant was awarded under the *African Elephant Conservation Act* in 1990, nearly tripling the effect of the MSCFs' $49 million in appropriations. More than 500 partners have worked with the Service in 44 countries to protect and conserve these species, which demonstrates broad interest in their long-term conservation. In addition, coordination with other Federal agencies involved in overseas activities, such as U. S. Agency for International Development, can link species preservation and habitat management under the MSCF with economic development and other conservation efforts by other Federal agencies and non-governmental organizations.

- The Secretary of the Interior is authorized to use up to $100,000 for general program administration for each of the African and Asian Elephant Conservation Funds, the Rhinoceros and Tiger Conservation Fund, and the Great Apes Conservation Fund. For the Marine Turtle Conservation Fund the limitation is $80,000. Administration costs represent salary and related support costs for the administration of these grant programs.

Key Points

- **Congress authorized the U.S. Fish and Wildlife Service to administer seven grant programs through funding from the Sport Fish Restoration and Boating Trust Fund (Sport Fish Restoration, Clean Vessel, Boating Infrastructure Grants, National Coastal Wetlands Conservation, North American Wetlands Conservation Act, National Outreach and Communications, and Multistate Conservation).**

- **Funding for the trust fund is derived from excise taxes on fishing equipment, motorboat and small engine fuels, import duties, and interest are collected and appropriated from the Sport Fish Restoration and Boating Trust Fund. These funds are apportioned to States and Territories based on a formula which includes land area, number of paid license holders, minimums and maximums.**

Background

Sport Fish

- The various programs are multifaceted and enhance the country's sport fish resources in both fresh and salt waters. It also provides funding for projects that improve and manage aquatic habitats, protect and conserve coastal wetlands, and provide important infrastructure for recreational boaters.

- The primary grant program is the Dingell-Johnson Sport Fish Restoration grant program. This program is the cornerstone of fisheries recreation and conservation efforts in the United States. All 50 States, Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, the U.S. Virgin Islands, and the District of Columbia participate in this grant program through their respective fish and wildlife agencies.

- Since its inception in 1950, this program has awarded more than $5 billion to State and territorial agencies for their fisheries conservation and boating access efforts. The stable funding provided by this program has allowed States to develop comprehensive fisheries conservation programs and provide public boating access.

- The Sport Fish Restoration grant program is a formula-based apportionment program. Of each state's share, 60 percent is based on its licensed anglers and 40 percent is based on its land and water area. No State may receive more than 5 percent or less than 1 percent of each year's total apportionment. Puerto Rico receives 1 percent, and the Virgin Islands, Guam, American Samoa, Northern Mariana Islands, and the District of Columbia each receive one-third of 1 percent.

- The **Boating Infrastructure Grant program** provides facilities for transient boats over 26 feet in length. Boating Infrastructure Grant projects are provide economic development benefits to local communities receiving these grant programs.

- The **Clean Vessel Act grant program** is a nationally competitive program that supports development, operation and maintenance of sewage pump-out facilities used by recreational boaters. The program is credited with improving the water quality in areas throughout the country by eliminating the discharge of recreational boaters' sewage.

- The **National Coastal Wetlands Conservation Grant program** provides funding for long-term conservation of coastal wetland ecosystems by helping States and Territories to protect, restore and enhance coastal habitats. Eligible projects include the acquisition of real property interest in coastal lands or waters and the restoration, enhancement, or management of coastal wetlands ecosystems.

- All grant programs funded by the Sport Fish Restoration program leverage Federal funds by requiring a minimum of a 25 percent cost share, with the exception of the Multistate Conservation grant program, which does not require a cost share.

Wildlife Restoration

- The Wildlife Restoration Act grant program, and Section 10 hunter education program, are key components of the Nation's cooperative conservation work for wildlife and their habitats. It implements the Department's Resource Protection Strategy to "*sustain biological communities on DOI managed and influenced lands and waters*" by providing financial and technical assistance to States to restore, conserve, manage, and enhance wild bird and mammal populations; acquiring and managing their habitats; providing public use and benefit from wildlife resources; educating hunters; and developing and managing shooting ranges.

- Because the Wildlife Restoration program has been a stable funding source for wildlife conservation efforts for more than 70 years, States have developed comprehensive wildlife management programs that encompass a wide range of strategies. On average, 60% of Wildlife Restoration program grant funds available are used by States to buy, develop, maintain, and operate wildlife management areas. About 68 million acres of lands have been acquired through fee simple acquisitions, leasing, and easements with Wildlife Restoration program funds.

- About 26% of Wildlife Restoration funds are used annually for surveys and research, which substitute science for guesswork in wildlife restoration. Numerous species such as the wild turkey, whitetailed deer, pronghorn antelope, wood duck, beaver, black bear, giant Canada goose, American elk, desert bighorn sheep, bobcat, mountain lion, and several species of predatory birds have restored their populations due to improved research and habitat management.

- The conservation efforts completed through the Wildlife Restoration program benefit a wide range of outdoor opportunities for firearms users (shooters and hunters), archery enthusiasts, birdwatchers, nature photographers, wildlife artists, and other users.

- The Wildlife Restoration program is critical to the restoration of many nongame species of wildlife, including the most recognizable symbol of our American heritage, the bald eagle. It also benefits songbirds, peregrine falcons, sea otters, prairie dogs, and other nongame species. As the Wildlife Restoration Act surpasses its 70th anniversary in September 2007, it is an ideal time to take stock of the extraordinary accomplishments of the program and what it needs to prepare for the future and the rapid changes of today's world.

- More than $5.3 billion in Federal excise taxes have been collected and awarded by the Wildlife Restoration program to States for conservation efforts since the program began in 1937. These Federal funds have been leveraged with more than $1.3 billion in State matches (license revenue). The National Shooting Sports Foundation estimates that through excise taxes and license fees, sportsmen and women contribute about $3.5 million each day to wildlife conservation.

- Educational efforts are an essential and important component of the Wildlife Restoration program. About $39 million is estimated for FY 2009 to help the States fund hunter education, shooting, and archery range programs. States' hunter education programs trained about 8.6 million students in hunter safety over a span of 38 years, which result in a significant decline in hunting related accidents. These educational efforts also increased the knowledge of outdoor enthusiasts about the importance of conserving America's resources.

- In addition, Section 10 of the amended Pittman-Robertson Wildlife Restoration Act authorized a Firearm and Bow Hunter Education and Safety Program (Section 10) in FY 2001. This is in addition to the previously existing authority for Section 4(c) Hunter Education activities provided under the Act and funded from the total Wildlife Restoration receipts collected in the prior year.

- Starting in FY 2003 and thereafter, Section 10 Firearm and Bow Hunter Education and Safety Program apportionment is $8 million. The Section 10 Firearm and Bow Hunter Education and Safety Program funds projects that enhance interstate coordination and development of hunter education and shooting range programs; promotes bow hunter and archery education, safety, and development programs; and provides funding for construction or development of firearm shooting ranges and archery ranges. Section 10 Firearm and Bow Hunter Education and Safety Program funds are apportioned to the States by formula, based on State population.

Funding

- Wildlife Restoration funds accrue from an excise tax of 11 percent on bows, arrows, parts, and accessories; an excise tax of 10 percent on pistols and revolvers; and 11 percent on other firearms, shells, and cartridges. Any funds not obligated within two years by a State fish and wildlife agency revert to the U.S. Fish and Wildlife Service and are used to carry out the provisions of the Migratory Bird Conservation Act. These tax receipts are appropriated to the Service through a permanent-indefinite appropriation for use in the fiscal year following collection.

- All 50 States, Puerto Rico, Guam, the Northern Mariana Islands, American Samoa, and the U.S. Virgin Islands participate in this program through their fish and wildlife agencies. Each State, Commonwealth, and territory develop and select projects for funding based on its assessment of problems and needs associated with management of its wildlife resources. The following list includes examples of the kinds of conservation projects conducted using Wildlife Restoration funds:
  - conduct surveys and inventories of wildlife populations
  - acquire, manage, and improve habitat
  - introduce wildlife into suitable habitat to help stabilize species populations
  - improve public access and facilities for their use and enjoyment of wildlife resources
  - operate and maintain wildlife management areas
  - acquire land through fee title, leases, or other arrangements for their wildlife conservation efforts
  - conduct research on wildlife and monitor wildlife status
  - develop and improve hunter education and safety programs and facilities
  - develop and manage shooting or archery ranges

State Apportionment Program

- All 50 States, Puerto Rico, Guam, the Northern Mariana Islands, American Samoa, and the U.S. Virgin Islands participate in this program through their fish and wildlife agencies. Under the Pittman-Robertson Wildlife Restoration Act, the U.S. Fish and Wildlife Service determines each State's apportionment by a formula that distributes 50-percent of the funds based on the area of the State and 50 percent based on the number of paid hunting license holders in each State. Puerto Rico receives one-half of 1 percent, and Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands each receives one-sixth of 1 percent of the total funds apportioned.

- Funding for hunter education and shooting ranges (Section 4(c) Hunter Education under the Wildlife Restoration Act) is derived from one-half of the 11 percent excise tax on archery equipment and 10 percent excise tax on handguns, pistols, and revolvers. The other one-half of the excise tax are for wildlife restoration purposes including the 11 percent excise tax on firearms and ammunition. The other one-half of the excise tax is used for wildlife restoration purposes. Hunter Education and Safety funds are formula-based apportionment based on State population. No State may receive more than 3 percent or less than 1 percent of the total hunter safety funds apportioned. Puerto Rico, Guam, U.S. Virgin Islands, American Samoa, and Northern

Mariana Islands are each apportioned up to one-sixth of 1 percent of the total apportioned. Estimated apportionments for FYs 2008 and 2009 are included in subsequent pages.

- The Wildlife Restoration program requires the grant recipients to provide at least 25 percent of the project costs from a non-Federal source. Commonwealths and territories (Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa) do not have a minimum non-Federal matching share. States pays the non-Federal share commonly from revenue paid through hunting license fees.

DEPARTMENT OF THE INTERIOR
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TRANSITION BUDGET ISSUES AND BACKGROUND MATERIALS

NOVEMBER 2008

NATIONAL PARK SERVICE

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NATIONAL PARK SERVICE
BUREAU OVERVIEW
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	2,256.3	2,290.0	2,390.5	2,392.5	2,404.3	13.8
Permanent	337.6	375.5	359.0	573.4	573.4	214.4
Total	2,593.9	2,665.5	2,749.5	2,965.9	2,977.7	228.2
FTE	20,056	19,832	20,301	20,301	21,649	1,348.0

BUREAU PROFILE

- As the guardian of 391 national park units, the National Park Service preserves unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.

- The NPS further helps the Nation preserve and protect historical, cultural and recreational resources that are not part of the national system through its many grant programs and technical assistance.

- On August 25, 2016, the National Park Service will celebrate 100 years of stewardship. To prepare for this historic event, the proposed ten-year National Parks Centennial Initiative begun in 2007 includes funding to:
  - Build capacity for critical park operations to address the needs of the public.
  - Encourage private, philanthropic contributions to the NPS by creating a $100 million Federal matching fund.

- Total staffing in 2008 is 20,301 and under the 2009 PB is expected to reach 21,649 full time equivalents. More than 80% are employed in parks, with the remainder in headquarters, central offices and service-wide programs.

- Park employees fill diverse roles including resource managers, interpreters of natural and cultural sites, law enforcement officers and administrators. In the area of cultural preservation, park employees serve as historians, curators, archeologists, and conservators. In the natural resource programs, park employees serve as biologists, hydrologists, geologists, and general resource management specialists.

- NPS is comprised of six major appropriations: Operation of the National Park System (ONPS), Centennial Challenge, National Recreation and Preservation (NR&P), Historic Preservation Fund (HPF), Construction, and Land Acquisition and State Assistance (LASA).

- The NPS conducts four main activities at the parks: resource stewardship to preserve and protect park resources and values; visitor services to make parks available and safe for public

enjoyment; facility maintenance and operations to maintain the facilities and features of the parks; and park support to administer, manage and support the operations of the 391 park areas throughout the United States.

LEGISLATIVE ISSUES

- The Centennial Initiative is the top priority for the NPS at this time. The Centennial Challenge is a major component of this initiative and was begun in 2008 with $24.6 million in discretionary funding. The proposal calls for $100.0 million in mandatory funding to match at a minimum of dollar-for-dollar private philanthropic donations. This legislation is pending.
- Legislation in recent years has expanded the number of units in the national park system and National Heritage Areas that are funded in the NPS budget. Since 1999 legislation has established 13 additional parks. In the last two years alone the National Heritage Areas Act added ten new National Heritage Areas. Pending legislation could add an additional 14 new areas. Congress is also considering reauthorizing 11 existing areas, which will result in their eligibility for continued funding.

STRATEGIC PLAN

- To carry out their stewardship responsibility, the NPS implements programs that encompass a broad range of research, operational, and educational activities. Strategic goals for the National Park Service fall within two of the *Mission Areas* in the Interior's Strategic Plan: Resource Protection and Recreation.
- The NPS focuses its efforts on two fundamental resource protection objectives: 1) natural and cultural resources and associated values are protected, restored, and maintained in good condition and managed within their broader ecosystem and cultural context; and, 2) the NPS contributes knowledge about natural and cultural resources and associated values so that management decisions about resources and visitors are based on adequate scholarly and scientific information.
- The NPS authorizing legislation mandates that America's national parks be available for public enjoyment. NPS is committed to improving its capacity for interpretation and education by providing for a quality recreation experience and visitor enjoyment.

CURRENT ISSUES

- **Park Centennial** — Need to develop a plan to move NPS into the next century by focusing on resource stewardship, visitor services, environmental leadership, and professional excellence. Legislation that authorizes matching funds to meet the centennial challenge is part of the strategy.

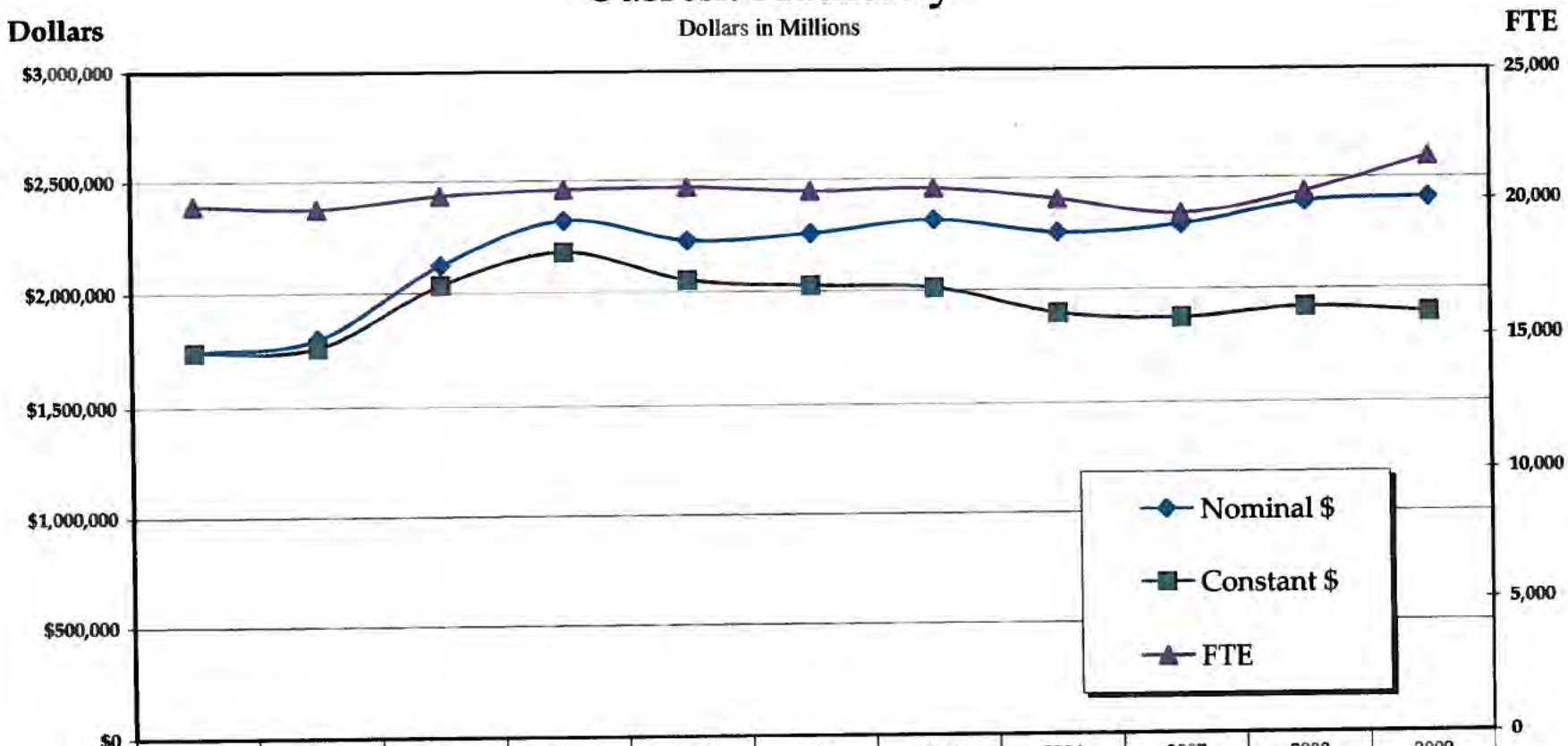
- **Resource Challenges** — The NPS mission includes the twin challenges of preserving and protecting the natural and cultural treasures of the United States and making them available for the enjoyment of future generations, two goals often in direct conflict with each other. The mission is complicated by developments beyond the control of NPS such as climate change impacts on wildlife populations and glaciers, the increased requirement for icon protection and border security, and regulations imposed by Federal, state, and local entities, for example.

- **Infrastructure** — Despite directed efforts and significant funding from traditional and new sources to maintain and improve infrastructure in the national park system over the history of the NPS, there are still many deferred structural needs at the 391 park units. Infrastructure includes facilities such as visitor centers, collections storage space, dormitories for seasonal rangers, research centers, water treatment plants, and outhouses in recreational areas. Infrastructure also includes roads, bridges, major equipment, signage and exhibits. The National Mall in Washington DC which has a half of a million dollars in identified deferred maintenance projects is a primary example of the need.

- **Recreation Fee Revenue** — Since 1997, the NPS has obligated over $655 million in recreation fee revenue for deferred maintenance and capital improvement needs. The majority of the obligations, $575 million, in recreation fee revenue have been used to address deferred maintenance needs in park units. During that same time period, approximately $80 million has been used for capital improvements to facilities, primarily to alter, expand, update, or replace an existing facility. Although the primary focus of recreation fees has been on reducing the deferred maintenance on visitor facilities, the fees have allowed NPS to make significant improvements in other areas. In habitat restoration, NPS has completed over 450 projects in 100 units of the NPS with over $130 million obligated since 1997. In addition, recreation fees have been used to develop transportation systems that have removed congestion and vehicles emissions from parks.

- **Regulations** — New and changing regulations affect park resources and park visitors. Two regulations in development have to do with using snowmobiles within the parks, specifically Yellowstone, and the carrying and use of firearms in the parks. Regulations often require lengthy periods of time to get to resolution to see that resource challenges are met and the public is duly served.

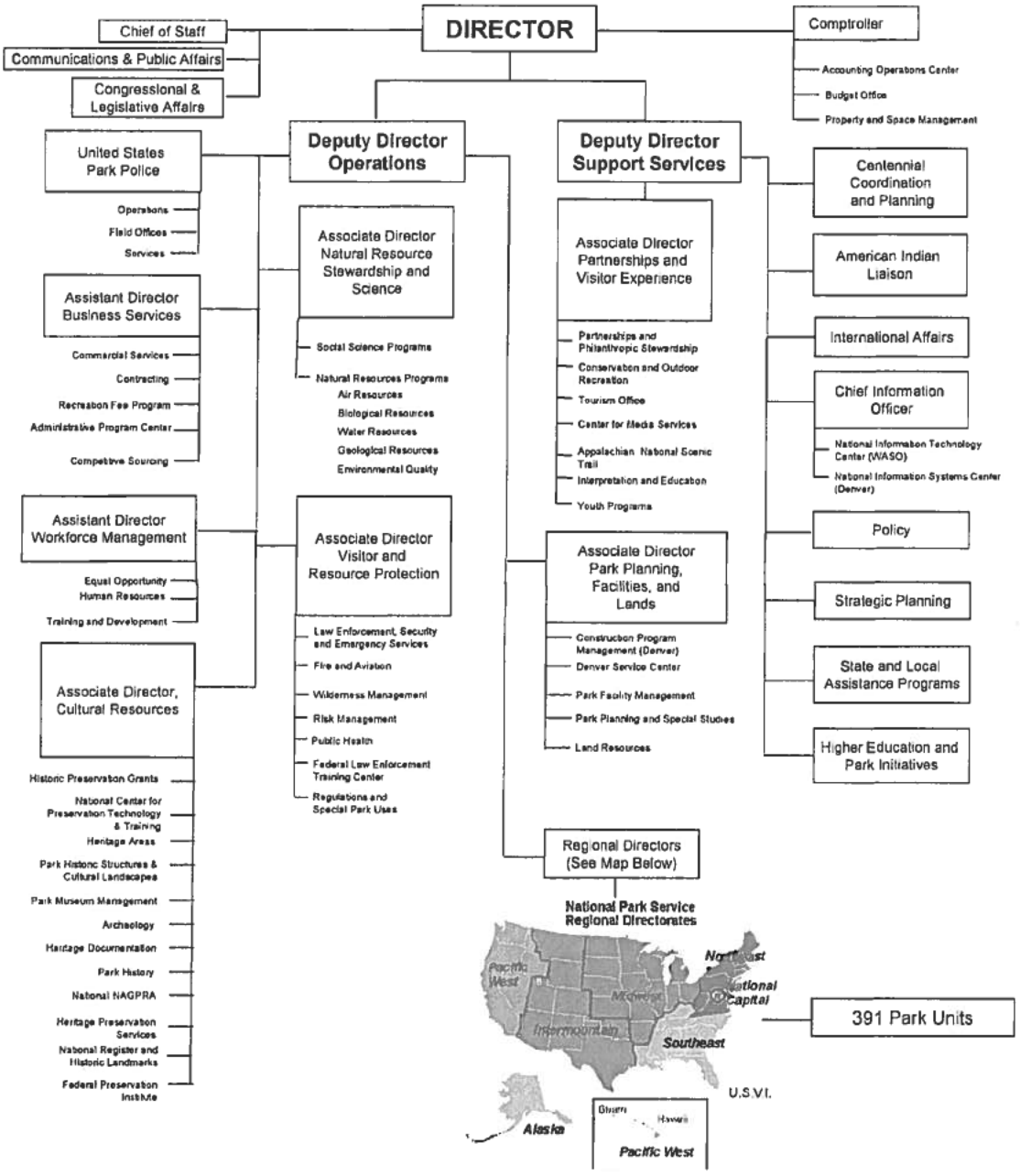
National Park Service
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	1,745,652	1,802,062	2,125,199	2,321,455	2,230,426	2,257,000	2,314,881	2,256,292	2,289,959	2,390,488	2,408,603 *
Constant $	1,745,652	1,766,381	2,035,092	2,181,260	2,054,180	2,025,926	2,013,351	1,899,525	1,877,556	1,922,826	1,899,061
FTE	19,918	19,808	20,289	20,505	20,574	20,399	20,485	20,056	19,506	20,301	21,649

* Does not include cancellations of prior year Budget Authority

National Park Service
Headquarters Organization



NATIONAL PARK SYSTEM 2008
391 Park Units by Region

Alaska

1. Alagnak Wild River
2. Aniakchak NM
3. Aniakchak NPres
4. Bering Land Bridge NPres
5. Cape Krusenstern NM
6. Denali NP
7. Denali NPres
8. Gates of the Arctic NP
9. Gates of the Arctic NPres
10. Glacier Bay NP
11. Glacier Bay NPres
12. Katmai NP
13. Katmai NPres
14. Kenai Fjords NP
15. Klondike Gold Rush NHP
16. Kobuk Valley NP
17. Lake Clark NP
18. Lake Clark NPres
19. Noatak NPres
20. Sitka NHP
21. Wrangell-Saint Elias NP
22. Wrangell-Saint Elias NPres
23. Yukon-Charley Rivers NPres

Intermountain

24. Alibates Flint Quarries NM
25. Amistad NRA
26. Arches NP
27. Aztec Ruins NM
28. Bandelier NM
29. Bent's Old Fort NHS
30. Big Bend NP
31. Big Thicket NPres
32. Bighorn Canyon NRA
33. Black Canyon of the Gunnison NP
34. Bryce Canyon NP
35. Canyon de Chelly NM
36. Canyonlands NP
37. Capitol Reef NP
38. Capulin Volcano NM
39. Carlsbad Caverns NP
40. Casa Grande Ruins NM
41. Cedar Breaks NM
42. Chaco Culture NHP
43. Chamizal NMem
44. Chickasaw NRA
45. Chiricahua NM
46. Colorado NM
47. Coronado NMem
48. Curecanti NRA
49. Devils Tower NM
50. Dinosaur NM
51. El Malpais NM
52. El Morro NM
53. Florissant Fossil Beds NM
54. Fort Bowie NHS
55. Fort Davis NHS
56. Fort Laramie NHS
57. Fort Union NM
58. Fossil Butte NM
59. Gila Cliff Dwellings NM
60. Glacier NP
61. Glen Canyon NRA
62. Golden Spike NHS
63. Grand Canyon NP
64. Grand Teton NP
65. Grant-Kohrs Ranch NHS
66. Great Sand Dunes NP&P
67. Great Sand Dunes NPres
68. Guadalupe Mountains NP
69. Hohokam Pima NM
70. Hovenweep NM
71. Hubbell Trading Post NHS
72. John D Rockefeller Jr. Memorial Parkway
73. Lake Meredith NRA
74. Little Bighorn Battlefield NM
75. Lyndon B Johnson NHP
76. Mesa Verde NP
77. Montezuma Castle NM
78. Natural Bridges NM
79. Navajo NM
80. Organ Pipe Cactus NM
81. Padre Island NS
82. Palo Alto Battlefield NHS
83. Pecos NHP
84. Petrified Forest NP
85. Petroglyph NM
86. Pipe Spring NM
87. Rainbow Bridge NM
88. Rio Grande Wild & Scenic River
89. Rocky Mountain NP
90. Saguaro NP
91. Salinas Pueblo Missions NM
92. San Antonio Missions NHP
93. Sand Creek Massacre NHS
94. Sunset Crater Volcano NM
95. Timpanogos Cave NM
96. Tonto NM
97. Tumacacori NHP
98. Tuzigoot NM
99. Walnut Canyon NM
100. Washita Battlefield NHS
101. White Sands NM
102. Wupatki NM
103. Yellowstone NP
104. Yucca House NM
105. Zion NP

Midwest

106. Agate Fossil Beds NM
107. Apostle Islands NL
108. Arkansas Post NMem
109. Badlands NP
110. Brown v. Board of Education NHS
111. Buffalo NR
112. Cuyahoga Valley NP
113. Dayton Aviation NHP
114. Effigy Mounds NM
115. First Ladies NHS
116. Fort Larned NHS
117. Fort Scott NHS
118. Fort Smith NHS
119. Fort Union Trading Post NHS
120. George Rogers Clark NHP
121. George Washington Carver NM
122. Grand Portage NM
123. Harry S Truman NHS
124. Herbert Hoover NHS
125. Homestead National Monument of America NM
126. Hopewell Culture NHP
127. Hot Springs NP
128. Indiana Dunes NL
129. Isle Royale NP
130. James A Garfield NHS
131. Jefferson National Expansion Memorial, NMem
132. Jewel Cave NM
133. Keweenaw NHP
134. Knife River Indian Village NHS
135. Lincoln Boyhood NMem
136. Lincoln Home NHS
137. Little Rock Central High School NHS
138. Minuteman Missile NHS
139. Mississippi National River & Rec Area
140. Missouri National Recreational River NW&SR
141. Mount Rushmore NMem
142. Nicodemus NHS
143. Niobrara National Scenic Riverway
144. Ozark National Scenic Riverways
145. Pea Ridge NMP
146. Perry's Victory & International Peace Memorial NMem
147. Pictured Rocks NL
148. Pipestone NM
149. Saint Croix NSR
150. Scotts Bluff NM
151. Sleeping Bear Dunes NL
152. Tallgrass Prairie NPres
153. Theodore Roosevelt NP
154. Ulysses S Grant NHS
155. Voyageurs NP
156. William Howard Taft NHS
157. Wilson's Creek NB
158. Wind Cave NP

National Capital

159. Antietam NB
160. Arlington House, The Robert E. Lee Memorial NMem
161. Carter G. Woodson Home NHS
162. Catoctin Mountain Park
163. Chesapeake & Ohio Canal NHP
164. Clara Barton NHS
165. Constitution Gardens
166. Ford's Theatre NHS
167. Fort Washington Park
168. Franklin D. Roosevelt Memorial, NMem
169. Frederick Douglass NHS
170. George Washington Memorial Parkway
171. Greenbelt Park
172. Harpers Ferry NHP
173. Korean War Veterans NMem
174. Lyndon B. Johnson Memorial Grove on the Potomac NMem
175. Lincoln Memorial, NMem
176. Manassas NBP
177. Mary McLeod Bethune Council House NHS
178. Monocacy NB
179. National Capital Parks
180. National Mall
181. Pennsylvania Avenue NHS
182. Piscataway Park
183. Potomac Heritage NST
184. Prince William Forest Park
185. Rock Creek Park
186. Theodore Roosevelt Island NMem
187. Thomas Jefferson Memorial NMem
188. Vietnam Veterans Memorial NMem
189. World War II Memorial, NMem
190. Washington Monument NMem
191. White House
192. Wolf Trap National Park for the Performing Arts

Continued on following page

NATIONAL PARK SYSTEM 2008 (Continued)

Northeast

193. Acadia NP
194. Adams NHP
195. African Burial Ground NM
196. Allegheny Portage RR NHS
197. Appomattox Court House NHP
198. Assateague Island NS
199. Bluestone NSR
200. Booker T Washington NM
201. Boston African Amer. NHS
202. Boston NHP
203. Boston Harbor Islands NRA
204. Cape Cod NS
205. Castle Clinton NM
206. Cedar Creek and Belle Grove NHP
207. Colonial NHP
208. Delaware NSR
209. Delaware Water Gap NRA
210. Edgar Allan Poe NHS
211. Edison NHS
212. Eisenhower NHS
213. Eleanor Roosevelt NHS
214. Federal Hall NMem
215. Fire Island NS
216. Flight 93 NMem
217. Fort McHenry NM & Historic Shrine NM
218. Fort Necessity NB
219. Fort Stanwix NM
220. Frederick Law Olmsted NHS
221. Fredericksburg/Spotsylvania Battlefields Memorial NMP
222. Friendship Hill NHS
223. Gateway NRA
224. Gauley River NRA
225. General Grant NMem
226. George Washington Birthplace NM
227. Gettysburg NMP
228. Governor's Island NM
229. Great Egg Harbor NS&RR
230. Hamilton Grange NMem
231. Hampton NHS
232. Home of FD Roosevelt NHS
233. Hopewell Furnace NHS
234. Independence NHP
235. John F Kennedy NHS
236. Johnstown Flood NMem
237. Longfellow NHS
238. Lowell NHP
239. Maggie L Walker NHS
240. Marsh-Billings-Rockefeller NHP
241. Martin Van Buren NHS
242. Minute Man NHP
243. Morristown NHP
244. New Bedford Whaling NHP
245. New River Gorge NR
246. Petersburg NB
247. Richmond NBP
248. Roger Williams NMem
249. Sagamore Hill NHS
250. Saint Croix Island IHS
251. Saint Paul's Church NHS
252. Saint-Gaudens NHS
253. Salem Maritime NHS
254. Saratoga NHP
255. Saugus Iron Works NHS
256. Shenandoah NP
257. Springfield Armory NHS
258. Statue of Liberty NM
259. Steamtown NHS
260. Thaddeus Kosciuszko NMem
261. Theodore Roosevelt Birthplace NHS
262. Theodore Roosevelt Inaugural NHS
263. Thomas Stone NHS
264. Upper Delaware Scenic & Recreational River
265. Valley Forge NHP
266. Vanderbilt Mansion NHS
267. Weir Farm NHS
268. Women's Rights NHP

Pacific West

269. Big Hole NB
270. Cabrillo NM
271. Channel Islands NP
272. City of Rocks NRes
273. Crater Lake NP
274. Craters of the Moon NM
275. Craters of the Moon NPres
276. Death Valley NP
277. Devils Postpile NM
278. Ebey's Landing NH Reserve
279. Eugene O'Neill NHS
280. Fort Point NHS
281. Fort Vancouver NHS
282. Golden Gate NRA
283. Great Basin NP
284. Hagerman Fossil Beds NM
285. Haleakala NP
286. Hawaii Volcanoes NP
287. John Day Fossil Beds NM
288. John Muir NHS
289. Joshua Tree NP
290. Kalaupapa NHP
291. Kaloko-Honokohau NHP
292. Kings Canyon NP
293. Lake Chelan NRA
294. Lake Mead NRA
295. Lake Roosevelt NRA
296. Lassen Volcanic NP
297. Lava Beds NM
298. Lewis & Clark NHP
299. Manzanar NHS
300. Minidoka Internment NM
301. Mojave NPres
302. Mount Rainier NP
303. Muir Woods NM
304. N Park of American Samoa
305. Nez Perce NHP
306. North Cascades NP
307. Olympic NP
308. Oregon Caves NM
309. Pinnacles NM
310. Point Reyes NS
311. Pu'uhonua o Honaunau NHP
312. Puukohola Heiau NHS
313. Redwood NP
314. Rosie the Riveter/WWII Home Front NHP
315. Ross Lake NRA
316. San Francisco Maritime NHP
317. San Juan Island NHP
318. Santa Monica Mtns NRA
319. Sequoia NP
320. USS Arizona Memorial NMem
321. War in the Pacific NHP
322. Whiskeytown Unit NRA
323. Whitman Mission NHS
324. Yosemite NP

Southeast

325. Abraham Lincoln Birthplace NHS
326. Andersonville NHS
327. Andrew Johnson NHS
328. Big Cypress NPres
329. Big South Fork NR&RA
330. Biscayne NP
331. Blue Ridge Parkway
332. Brices Cross Roads NBS
333. Buck Island Reef NM
334. Canaveral NS
335. Cane River Creole NHP
336. Cape Hatteras NS
337. Cape Lookout NS
338. Carl Sandburg Home NHS
339. Castillo de San Marcos NM
340. Charles Pickney NHS
341. Chattahoochee River NRA
342. Chickamauga and Chattanooga NMP
343. Christiansted NHS
344. Congaree NP
345. Cowpens NB
346. Cumberland Gap NHP
347. Cumberland Island NS
348. De Soto NMem
349. Dry Tortugas NP
350. Everglades NP
351. Fort Caroline NMem
352. Fort Donelson NB
353. Fort Frederica NM
354. Fort Matanzas NM
355. Fort Pulaski NM
356. Fort Raleigh NHS
357. Fort Sumter NM
358. Great Smoky Mountains NP
359. Guilford Courthouse NMP
360. Gulf Islands NS
361. Horseshoe Bend NMP
362. Jean Lafitte NHP & Pres
363. Jimmy Carter NHS
364. Kennesaw Mountain NBP
365. Kings Mountain NMP
366. Little River Canyon NPres
367. Mammoth Cave NP
368. Martin Luther King, Jr. NHS
369. Moores Creek NB
370. Natchez NHP
371. Natchez Trace NST
372. Natchez Trace Pkwy
373. New Orleans Jazz NHP
374. Ninety Six NHS
375. Obed Wild & Scenic River
376. Ocmulgee NM
377. Poverty Point NM
378. Russell Cave NM
379. Salt River Bay NHP & Ecological Preserve
380. San Juan NHS
381. Shiloh NMP
382. Stones River NB
383. Timucuan Ecological & Historic NPres
384. Tupelo NB
385. Tuskegee Airmen NHS
386. Tuskegee Institute NHS
387. Vicksburg NMP
388. Virgin Islands Coral Reef NM
389. Virgin Islands NP
390. Wright Brothers NMem

Washington Office

391. Appalachian NST

Park Unit Designation Abbreviations

IHS	International Historic Site	NHS	National Historic Site	NMP	National Military Park	NS	National Seashore
NB	National Battlefield	NHT	National Historic Trail	NP	National Park	NSR	National Scenic River
NBP	National Battlefield Park	NL	National Lakeshore	NPres	National Preserve	NST	National Scenic Trail
NBS	National Battlefield Site	NM	National Monument	NR	National River	NW&SR	National Wild & Scenic River
NHP	National Historical Park	NMem	National Memorial	NRA	National Recreation Area		

Size and Composition

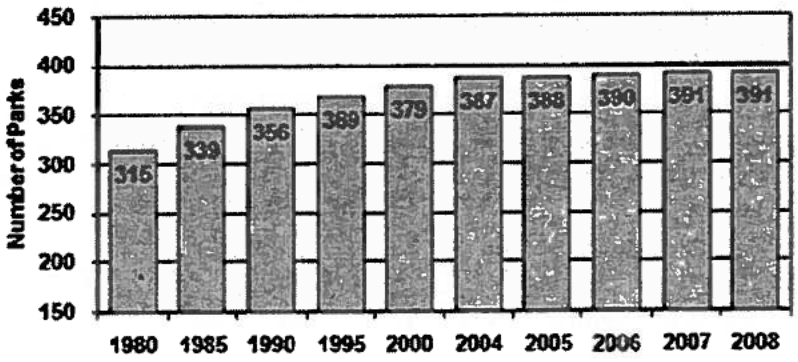
National Park Unit Designations	
National Park	58
National Monument	74
National Historical Park	42
National Historic Site	79
National Wild & Scenic River	10
National River	5
National Memorial	28
National Parkway	4
National Scenic Trail	3
National Military Park	9
National Battlefield	11
National Battlefield Site	1
National Battlefield Park	3
National Preserve	18
National Recreation Area	18
National Lakeshore	4
National Seashore	10
National Reserve	2
International Historic Site	1
Other Designation	11

Additions to the National Park System generally are made through acts of Congress, and national parks can be created only through such acts. The President has authority, under the Antiquities Act of 1906, to proclaim national monuments on lands already under federal jurisdiction. In FY 2008, the National Park System consisted of 391 units encompassing more than 84 million acres of land in every state except Delaware. Of those acres within the boundary of the National Park System, nearly 78.9 million acres are owned by the Federal Government. In FY 2009, the NPS projects to acquire approximately 572 additional federally owned acres and no additional park units. Park units are also located in the District of Columbia, American Samoa, Guam, Puerto Rico, and the Virgin Islands.

National Park System units presently bear 20 different designations. These designations are rooted in the National Park System's legislative and administrative history. Different designations provide protection appropriate to the resource by varying limits to use or access. The NPS also works with affiliated areas including *National Heritage Areas*.

As shown in the graph below, twelve new units have been added to the NPS since FY 2000 bringing the total to 391 park units.

National Park System Growth



General statistics covering the NPS are summarized below. Additional information can be obtained on the NPS website.

National Park Assets	
Budget(FY 2008 Discretionary Funding)	$2.39 billion
NPS Employees*	20,056
NPS Firefighters*	743
NPS Law Enforcement*	2,343
National Park Units	391
Northern International Borderlands	46 miles
Southern International Borderlands	284.5 miles
Percent of US in National Park System	3.6%
Acres managed by NPS	78.8 million
Bridges and Tunnels	1,804
Historic Buildings	5,771
Total Historic Structures	27,000
Administrative and Public Use Buildings	7,580
Family Housing Units	5,300
Water Treatment Systems	680
Solid Waste Systems	200
Radio Systems	250
Campgrounds	776
Monuments and Statues	8,505
Dams	505
Roads	8,500 miles
Trails	13,013 miles

*FTE. Law Enforcement includes U.S. Park Police.

National Park Service Human Capital

In FY 2008, the National Park Service employed 20,301 full-time equivalents (FTE). The FTE count equates to an on-board strength of about 26,000 employees during the summer months when visitation is at its peak. Estimated FTE usage for fiscal year 2009 is 21,649.

The Volunteers in Parks Program (VIP) continues to prove a major force in accomplishing the National Park Service mission. It is estimated that during fiscal year 2008, 172,727 volunteers contributed 5.7 million hours of service to the NPS through 372 VIP programs across the country. Valued at the private sector rate of $19.51 an hour, this equates to more than $111 million in value provided to the National Park Service. The expected VIP contribution for FY 2009 is 174,286 volunteers working approximately 6.1 million hours. At a rate of $20.20 an hour, this would equate to an approximate value of $123 million in volunteer work.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Operation of the National Park System*	16,155	1,970,581	16,945	2,131,529	+790	+160,948
Centennial Challenge	50	24,610	0	0	-50	-24,610
United States Park Police*	0	0	0	-808	0	-808
National Recreation and Preservation	256	67,413	261	45,488	+5	-21,925
Urban Park and Recreation Fund	0	0	0	-1,300	0	-1,300
Historic Preservation Fund	4	70,385	4	66,142	0	-4,243
Construction and Major Maintenance	576	218,522	537	172,459	-39	-46,063
Land Acquisition and State Assistance	75	68,977	59	20,832	-16	-48,145
LWCF Contract Authority (rescission)	0	-30,000	0	-30,000	0	0
Subtotal, Appropriations *(without fire)*	17,116	2,390,488	17,806	2,404,342	+690	+13,854
Fire Repayment	0	61,021	0	0	0	-61,021
Subtotal, Appropriations *(with fire)*	17,116	2,451,509	17,806	2,404,342	+690	-47,167
Mandatory Appropriations						
Recreation Fee Permanent Appropriations	1,472	181,676	1,497	182,865	+25	+1,189
Other Permanent Appropriations	302	120,361	302	127,221	0	+6,860
Miscellaneous Trust Funds	163	27,004	363	227,004	+200	+200,000
Outer Continental Shelf Oil Lease Revenue	0	0	0	6,314	0	+6,314
LWCF Contract Authority	0	30,000	0	30,000	0	0
Subtotal, Mandatory Appropriations	1,937	359,041	2,162	573,404	+225	+214,363
Allocations and Reimbursables						
Allocations	941	0	936	0	-5	0
Reimbursables	745	0	745	0	0	0
Subtotal, Allocations and Reimbursables	1,686	0	1,681	0	-5	0
TOTAL, NATIONAL PARK SERVICE *(w/o fire)*	**20,739**	**2,749,529**	**21,649**	**2,977,746**	**+910**	**+228,217**
TOTAL, NATIONAL PARK SERVICE *(w/ fire)*	**20,739**	**2,810,550**	**21,649**	**2,977,746**	**+910**	**+167,196**

* *Funding for the United States Park Police in 2008 and 2009 has been transferred to the Operation of the National Park System appropriation account.*

NATIONAL PARK SERVICE
BUDGET OVERVIEW
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Park Operations*	1,283.4	1,362.0	1,470.8	1,541.3	1,633.3	1,687.4	1,763.6	1,799.2	1,848.4	1,970.6	2,131.5	+160.9
Centennial Challenge	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.6	0.0	-24.6
Nat'l Rec & Pres	46.2	53.4	59.8	66.1	61.3	60.2	61.2	54.2	54.9	67.4	45.5	-21.9
Urban Park & Rec Fund	0.0	0.0	29.9	30.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Historic Pres. Fund	72.4	74.8	94.2	74.5	68.6	73.6	71.7	72.2	55.2	70.4	66.7	-3.7
Construction	225.7	221.2	285.3	365.8	325.7	329.9	302.2	313.9	297.5	218.5	173.1	-45.4
Land Acq & State Assist	147.9	120.7	215.1	273.9	171.3	135.6	146.1	47.0	64.0	69.0	21.8	-47.1
LWCF Contract Auth Resc	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	-30.0	0.0
TOTAL*	1,745.7	1,802.1	2,125.2	2,321.5	2,230.4	2,257.0	2,314.9	2,256.3	2,290.0	2,390.5	2,408.6	+18.1
FTE	19,918	19,808	20,289	20,505	20,574	20,399	20,485	20,056	19,832	20,739	21,649	-910

**Includes U.S. Park Police for all years.*

MAJOR BUDGET TRENDS

- NPS is comprised of six major appropriations: Operation of the National Park System (ONPS), Centennial Challenge, National Recreation and Preservation (NR&P), Historic Preservation Fund (HPF), Construction, and Land Acquisition and State Assistance (LASA).

- The 2009 request for the park operations activity is a net increase of $160.9 million above the 2008 enacted level. This includes an increase of $35.8 million in fixed costs while $1.4 million is absorbed within the program.

- NPS funding for park operations has increased $848.1 million, or 66 percent, since 1999.

- Congress, greatly concerned about the deteriorating facilities in NPS and other Interior bureaus, has supported the Department's efforts to reduce deferred maintenance. Since FY 2001, NPS funding for reducing the deferred maintenance backlog, which includes Facility Maintenance, Construction, Recreational fees and Park Passport fees for maintenance, and FHWA funding, has increased by 22 percent from $809.6 million in 2001 to $989.0 million in 2009.

2008 BUDGET

- **Centennial Initiative** – In 2008, the President proposed a 10 year effort to build park operational capacity, enhance critical stewardship opportunities, maintain NPS facilities, and otherwise prepare for another century of conservation, preservation, and enjoyment at our unsurpassed system of national parks. The Centennial Initiative is about creating an environment where people can make connections to both nature and history. Congress fully funded the 2008 $78 million request.

- **Centennial Challenge** – A key element of the Centennial Initiative is the establishment of a mandatory fund, the Centennial Challenge, which would match non-Federal cash donations for signature projects and programs at national parks. This fund requires authorizing legislation which has not as yet passed. In 2008, Congress provided as an interim a one year bridge of $24 million in discretionary appropriations to undertake the Secretary's signature projects.

2009 BUDGET

- **Centennial Initiative** – The 2009 budget provides funding to build park operational capacity, including increases for core operations, facility management, U.S. Park Police operations, and youth partnership programs; conduct critical stewardship programs through a combination of flexible park base dollars and project funding to improve the health of natural and cultural resources; manage park assets in good condition using a predictive maintenance cycle; and enhance organizational capacity and employee development through servicewide professional development programs, performance management tools, and safety programs. Please see the separate briefing paper.

- The 2009 budget request is $2.4 billion, which is $13.9 million above the 2008 enacted level.
  - $2.1 billion for operations of the parks, the largest budget for operations in the history of the Park Service. This includes $471.5 million for facility maintenance programs.
  - $172.5 million in the construction activity.
  - $112.2 million is requested in NR&P and HPF programs which are largely distributed as grants to State, local, tribal and other recreation and preservation entities across America.

- **U.S. Park Police** – The 2009 budget proposes an increase $7.6 million over the 2008 enacted level which includes $4.8 million to increase the number of sworn officer recruits. A separate briefing paper is provided on this program.

- **NPS Asset Management** – The 2009 President's budget provides a combined total of $644.0 million for Facility Maintenance, Repair/Rehabilitation and Construction funding for annual and deferred maintenance projects. A major component of this is the Cyclic Maintenance program, which is requested at $100.9 million, an overall increase of $22.8 million over 2008. Funding for Repair and Rehabilitation is proposed at $99.6 million, which is level with the 2008 enacted level. The 2009 budget request for construction and major maintenance is $172.5 million, of which $90.2 million is provided for line item projects. This is a $46.1 million decrease from the 2008 appropriation.

- **LWCF Federal Land Acquisition** – The budget proposes funding the NPS Federal land acquisition program at $21.8 million, a net decrease of $22.5 million from 2008.

- **National Recreation and Preservation** – This appropriation funds programs connected with local community efforts to preserve natural and cultural resources. For 2009, these programs are proposed at $45.5 million, a $21.9 million decrease below 2008.

- **Historic Preservation Fund** – The 2009 budget request is $66.1 million.
  - This includes a request of $39.7 million for the Historic Preservation Fund matching grants to States, Territories, and Tribes to preserve historically and culturally significant sites, and $2.0 million for the new grant program for a National Inventory of Historic Properties.
  - The budget request includes $10.0 million for Preserve America and $10.5 million for Save America's Treasures. The Save America's Treasures grants complement the Preserve America initiative by assisting communities in the restoration of historic sites and collections. A separate briefing paper on historic preservation and heritage programs is provided.

- **Recreational Fee Program** — In 2005, Congress passed the Federal Lands Recreation Enhancement Act, which will enable the land management agencies to provide and improve recreation and related visitor amenities to enhance the visitor experience on NPS, FWS, BLM, and Reclamation public lands. The Act extends the authority to collect recreation fees until 2014 and establishes important parameters for the fee program to ensure that fees are charged only in appropriate locations and fee revenues are appropriately spent on infrastructure and services that directly benefit the public.
    - In January 2007 the new interagency recreation pass, the "America the Beautiful-National Parks and Federal Recreational Lands Pass," was introduced. The new pass covers entrance or standard amenity fees associated with recreation opportunities on public lands managed by four Department of the Interior bureaus – the National Park Service, Fish and Wildlife Service, Bureau of Land Management, and the Bureau of Reclamation, and by the Department of Agriculture's U.S. Forest Service.
    - The NPS estimates that it will collect $182.9 million in recreation fees in 2009.
- **Fixed Costs** — In 2009, fixed costs total $39.4 million, of which $37.9 million are budgeted and $1.5 million are absorbed through cost saving methods. The budgeted amount funds most pay costs and fully funds health care and costs paid to other agencies and the Department's Working Capital Fund.

NATIONAL PARK SERVICE
PARK BASE PROGRAM
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Enacted	2009 PB	Change from 2008 Enacted
Park Base Funding	805	849	919	958	982	987	1,047	1,072	1,099	1,195	1,292	+97.0
Percent of ONPS	63%	62%	62%	62%	60%	58%	59%	60%	59%	61%	61%	60%

Key Points:

- **The primary source of funding to support park activities comes from the park base program.**

- **Other sources of funding for parks include recreation fees, concession franchise fees and facility maintenance.**

- **Park base operations are the focus of the Parks Centennial Initiative. The initiative was first funded in 2008.**

- **The 2009 budget request for park base provides a 15 percent increase over 2007.**

Background:

- Park base funding is the primary vehicle by which the 391 units of the National Park Service fulfill the dual missions of providing for enjoyable and safe visitor experiences and protecting park natural and cultural resources.

- Base funding is used for a variety of daily operational activities, including ranger interpretive programs, staffing at visitor centers, daily maintenance activities, and other programs designed to enhance the visitor experience as well as for programs such as habitat restoration and museum cataloguing that protect and preserve park resources.

- Base funding is not the only source of funding that supports park units. Other sources of funding include the Repair and Rehabilitation program, the cyclic maintenance program, and the natural resource networks.

Major Budget Trends:

- Park base funding has steadily increased over the past decade. Between 2001and 2008, base funding increased by $276 million or over 30 percent. The NPS also received an annual increase during each of those years in other programs.

- In recent years, NPS has developed a number of evaluative tools, including the Park Scorecard and the Core Operations Analysis, to aid park managers in understanding the needs of the parks.

2008 Enacted:
The 2008 enacted appropriation provided a net park base increase of $102 million over 2007 enacted, which included increases under the National Parks Centennial Initiative:

- +$27.7 million in targeted park base funding to enhance core visitor services and resource stewardship.

- +$40.6 million to support park operations with 3,000 additional interpretation, maintenance, and law enforcement seasonal park rangers.

- Fixed costs increases for park base operations of $34.7 million in 2008.

- In 2008, NPS requested Flexible increases in park base to improve park health. This initiative was funded at $20.0 million from the Recreation Fee Permanent Appropriation. A total of $15.4 million was from the 20 percent discretionary account and $4.6 million was from the 80 percent of fee revenue retained at fee collecting parks.

2009 Budget:
- The 2009 President's budget request includes a $44.8 million targeted park base funding increase which would enhance core visitor services and resource protection capabilities at specific parks. The 2009 President's budget also includes a $20.0 million flexible park base funding increase to continue park improvement projects started in 2008 and support additional projects for 2009, with $14.0 million going towards the second year of continuing projects and $6.0 million directed to new projects.

- The 2009 President's budget request includes an increase of $5.2 million for the Southwest Border Initiative. The NPS request includes $3.8 million for 34 additional law enforcement FTEs at five parks along the southwest border, $1.0 million for natural resource restoration at eleven parks, and $400,000 to ensure adequate communications at five parks.

- Another $6.0 million is included so that parks can more effectively use the Facility Management Software System.

- Fixed costs increases total $35.8 million. The request funds most pay costs and fully funds health care, costs paid to other agencies, and the Department's Working Capital Fund.

NATIONAL PARK SERVICE
U.S. PARK POLICE
(dollars in millions)

	1999	2000	2001[1]	2002[2]	2003	2004	2005	2006	2007	2008[3]	2009 Request	Change from 2008 Enacted
United States Park Police[4]	67.2	72.1	78.0	90.5	78.4	78.9	81.2	81.4	80.8	86.7	94.4	+7.6
FTE			762	775	794	717	709	703	703	686	722	+36

[1] The USPP account was established as a separate account from ONPS.

[2] Includes $10.098 million provided for USPP counter-terrorism activities in the 2002 Defense Appropriations Act, P.L. 107-117.

[3] The USPP account was merged with the ONPS account.

[4] Totals do not include supplementals except for those noted above.

Key Points:

- **In 2008, the DOI Inspector General published "Assessment of the United States Park Police," presenting DOI, NPS and USPP with 20 recommendations in four categories: Icon Security; Officer Safety; Financial Management; and Management/Leadership.**

- **In 2009, USPP will continue to implement improvements that respond to the OIG and NAPA including: realign their district boundaries to focus efforts on icon security; implement new icon security plans; update physical security equipment; and continue to work on employee moral.**

- **The 2009 continuing resolution level funds USPP at the 2008 level of $86.7 million, reducing their ability to address several of the issues including: staffing of sworn officers; civilian staffing; and equipment shortages.**

Background:

- After the terrorist attacks of September 11, 2001, the threat of attacks on icons administered by the National Park Service became an issue of serious national concern. Attention turned to the U.S. Park Police as the entity responsible for protecting the most likely icon targets. At the same time, the Park Police were expected to continue providing a broad range of traditional law enforcement services in the three locations in which they operate: Washington, D.C., New York, and San Francisco.

- In 2001, the National Academy of Public Administration released the report *U. S. Park Police: Focusing Priorities, Capabilities, and Resources for the Future*, with findings and recommendations in the following areas: Clarifying the Park Police Mission; Focusing the Park Police Mission; The Geographic Scope of Park Police Activities; Priority of Other Park Police Activities; Reimbursing Park Police for Services; and Park Police Accountability and Subordination.

- Beginning in August 2003, the Office of Law Enforcement and Security, National Park Service, and the USPP undertook a comprehensive internal effort to complete the task of clearly defining the mission, priorities, and responsibilities of the Park Police. This mission

review was closely coordinated with the National Academy of Public Administration; the internal review prioritized each function of the USPP and focused the USPP on the National Park Service's core law enforcement needs.

- A new USPP strategic plan and mission statement emphasizes the security of national icons and special events occurring on the National Mall, the safety of national park visitors and employees, and protecting natural and cultural resources. The result is a redeployed force that addresses icon protection needs; more appropriately shares duties with other Federal, State, and local law enforcement agencies; seeks reimbursement as appropriate; and uses civilian personnel instead of sworn officers to coordinate functions that do not require a sworn officer.

- Following recommendations from the mission review and the Office of Inspector General's Assessment of the U.S. Park Police in 2008, the USPP, NPS and DOI have completed several actions to improve the effectiveness and efficiency of the USPP including:

    - Established a Management Oversight Team (MOT) that meets weekly to oversee the implementation of the Inspector General's recommendations;
    - Filled the Security Manager position;
    - Reviewed the Asset security plans for the Statue of Liberty and the National Mall icons identified necessary changes;
    - Completed assessments regarding the use of Closed Circuit Television and staff required to monitor the CCTV;
    - Completed qualifying active duty officers for their firearms;
    - Replaced ballistic vests for sworn officers and developed a master inventory;
    - Hired an administrative officer;
    - Strengthened physical security at the icons through the use of temporary and permanent measures such as jersey barriers, magnometers, fencing, and CCTV;
    - Added mounted police officers to the Mall for increased icon protection;
    - Replaced the vendor of the Uniformed Guard Services contract to improve appearance, communication, and adherence to standards;
    - Examined options for icon security leading to a preferred approach;
    - Purchased 86 new vehicles and leased 20 new vehicles to update the fleet; and
    - Hired 50 recruits, 34 of whom have graduated from the academy and 16 will be attending the October 2008 class.

Budget Trends:

- Excluding pensions and supplemental funding, budget authority for park police operations have increased by 42.4 percent between 2001 and 2008.

- Funding for USPP operations in 2008 totals $86.7 million, a net increase of $1.5 million to fund fixed costs.

- The 2009 President's budget provides an increase of $7.6 million including $1.9 million for fixed costs and an increase of $4.8 million to continue building the USPP force organizational capacity towards the 639 sworn officers recommended by the mission review.

NATIONAL PARK SERVICE
HISTORIC PRESERVATION FUND
(dollars in millions)

(million dollars) Activities	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Grant-in-Aid to States and Tribes	42.4	44.8	59.3	42.0	36.8	40.5	42.2	42.6	42.2	45.8	41.7	-4.1
Save America's Treasures	30.0	30.0	34.9	30.0	29.8	32.6	29.6	24.6	13.0	24.6	15.0	-9.6
Preserve America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	5.0	7.4	10.0	2.6
National Trust for Historic Pres.	0.0	0.0	0.0	2.5	2.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	72.4	74.8	94.2	74.5	68.6	73.6	71.7	72.2	60.2	77.8	66.7	-11.1

1/ In 2008 and the 2009 CR, the Preserve America program is funded in the NR&P account, but since this program is funded in the HPF account in all other years of its existence, that program is discussed in the HPF briefing paper.

KEY POINTS:

- **The Historic Preservation Fund appropriation includes grant programs to facilitate the preservation of the Nation's historic and cultural resources. These programs work collectively to enhance and expand opportunities for cultural resource preservation throughout the Nation and assist communities develop sustainable approaches for preserving and using historic resources in an economically viable manner**

- **Grants-in-Aid provide matching grants to States, Territories, and Indian Tribes for historic preservation. This program promotes public-private and Federal/non-Federal partnerships to identify and protect irreplaceable historic and archeological resources.**

- **The Save America's Treasures program provides one-time grants to preserve nationally significant heritage resources such as buildings, films, books, and archival records.**

- **Preserve America grants offer support to local communities in the form of competitive matching grants as one-time "seed money" to facilitate the development of sustainable resource management strategies and sound business practices for the continued preservation of heritage assets. In 2008 and 2009 CR this program is funded in the National Recreation and Preservation account, but since the program is funded in all other years in the HPF account, and is requested there in 2009, the Preserve America program is discussed here.**

BACKGROUND:

Grants-in-Aid Program Overview

- The Grants-in-Aid program provides grants in accordance with the provisions of the National Historic Preservation Act and provides leadership and support for the preservation of the nation's cultural, historic, and prehistoric treasures.

- Grants in this program fall into four categories: (1) matching grants to States, Territories, and the Freely Associated States (Micronesia), (2) grants to Indian Tribes, Alaska natives, and Native Hawaiians for cultural heritage preservation, and (3) grants to inventory cultural heritage. In addition, this program administers previously awarded matching grants to Historically Black

Colleges and Universities to facilitate the preservation of threatened historic buildings on campuses.

- From FY 1999 through 2008, Congress appropriated $438.5 million for the Grants-in-Aid program. These funds provide partial funding to State Historic Preservation Offices and Tribal Historic Preservation Offices that provide assistance: to governments at all levels to develop and implement preservation plans and programs; to property owners in repairing properties listed in the National Register of Historic Places; and evaluating commercial property rehabilitation proposals for Federal tax incentives.

- Grants are used for preservation plans, historic structure analysis, and repairs to historic properties. In addition, 10 percent of each state's annual apportionment must be sub-granted to Certified Local Governments.

Save America's Treasures Program Overview

- Save America's Treasures (SAT) grants preserve irreplaceable monuments of American heritage for future generations, and make them more accessible to scholars and the public through exhibits, traditional publications, and Internet websites.

- From FY 1999 through FY 2008, Congress appropriated $289.6 million for the Save America's Treasures grant program. Traditionally, projects are split equally between those awarded competitively and those earmarked by Congress. Over 1,086 matching grants have been or are in the process of being awarded to Federal agencies, State, local and tribal governments, and non-profit institutions including 50 competitively awarded grants in FY 2008, and 70 earmarks. All grants, including those awarded to Federal agencies, require a dollar-for-dollar non-Federal matching share.

- Approximately 70 percent of the grants have been awarded to historic structures, and 30 percent to museum collections.

Preserve America Program Overview

- Preserve America grants offer Federal support to communities that have demonstrated a commitment to recognizing, designating, and protecting local cultural resources. The Preserve America program also provides planning and associated assistance to communities looking for ways to preserve their local heritage in a self-sustaining manner to promote their cultural resources through heritage tourism. The Preserve America program was initiated in 2006.

- More than 70 grants were awarded in FY 2008 and the FY 2009 request will allow this number to grow to an estimated 120 grants. Eligibility is limited to State Historic Preservation Offices, Tribal Historic Preservation Offices, designated Preserve America Communities, or Certified Local Governments that have applied for Preserve America Community designation. The NPS administers Preserve America grants in partnership with the Advisory Council on Historic Preservation.

- American history comes alive in historic buildings, cultural sites, and communities that celebrate their settings. Thousands of historic and cultural sites are the pride of local communities everywhere. Heritage assets, including historic resources and associated landscapes and natural features, are viable elements for local economic development. More than half of the States have

some form of heritage tourism programs that result in job creation and increasing property values and tax revenue.

BUDGET TRENDS:

Grants-in-Aid

Funding for the Grants-in-Aid program has remained relatively flat, around $42 million, since 1999. except for 2001 when it was funded at $59.3 million.

Save America's Treasures

From 1999 through 2005 annual funding for SAT grants hovered around $30 million dollars, some of which was earmarked for special projects in appropriations every year. In 2006 funding for SAT grants was reduced by $5.0 million and the Preserve America grant program which complemented SAT grants was initiated and funded at $4.9 million. The 2007 funding for SAT grants dropped to $13.0 million, an amount that reflected the President's 2007 request of $14.8 million for the non-earmarked portion of the program. The SAT funding level in 2008 was $24.6 million. The 2009 request is $15.0 million.

Preserve America

Funding for Preserve America Grants began at $4.9 million when the program was initiated in 2006 and was funded at $5.0 million in 2007. Funding increased in 2008 to $7.4 million. The Preserve America funding request for 2009 is $10.0 million. Since its inception, the Preserve America grant program has awarded 229 grants to enhance local preservation efforts.

Funding for Preserve America was located in the Historic Preservation Fund in 2006 and 2007. In 2008, although requested in HPF, Congress funded the program in the National Recreation and Preservation account of the National Park Service. In 2009, NPS requested funding for the program in the HPF account. Under the Continuing Resolution that ends March 6, 2009, because the program was funded in the NR&P account in 2008, the program is funded in the NR&P account under the 2009 CR.

(million dollars) Program Components	2005	2006	2007	2008	2009 Request	2009 CR	2009 CR (43%) thru 3/6/09
Preserve America	**0.0**	**4.9**	**5.0**	**7.4**	**10.0**	**7.4**	**3.2**
Requested in HPF	0.0	12.5	10.0	10.0	10.0		
Funded in HPF	0.0	4.9	5.0				
Funded in NR&P	0.0			7.4		7.4	3.2

Under the 2009 CR ending 3/6/2009, 43% or $3.2 million is available for distribution as Preserve America grants. The projects have been selected and submitted to Congress for approval. As of Jan 21, 2009, Congress has not provided any indication of whether or not it will approve the grants.

NATIONAL PARK SERVICE
NATIONAL RECREATION AND PRESERVATION
(dollars in millions)

(million dollars) Program Components	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	2009 CR	2009 Change from 2008 Enacted
National Register Programs	15.0	16.0	15.5	15.5	15.3	15.6	15.1	18.9	17.1	18.4	17.1	0.0
Rivers, Trails and Conservation .	8.5	9.0	9.1	9.1	9.1	9.1	8.4	8.8	8.9	8.6	8.9	0.0
Heritage Partnership Programs	6.8	10.3	13.2	14.3	14.3	14.6	13.3	13.3	15.3	7.1	15.3	0.0
Statutory Aid	9.9	13.9	17.3	12.0	11.2	11.2	7.0	3.2	7.5	0.0	7.5	0.0
Other NR&P programs	12.3	10.7	11.2	10.4	10.3	10.8	10.4	10.7	11.2	11.4	11.2	11.2
TOTAL 1/	52.5	59.8	66.4	61.3	60.2	61.2	54.2	54.9	60.0	45.5	60.0	11.2

1/ In 2008 and the 2009 CR, the Preserve America program is also funded in the NR&P account, but since this program is funded in the HPF account in all other years of its existence, that program is discussed in the HPF briefing paper.

KEY POINTS:

- **The National Recreation and Preservation (NR&P) program focuses outside of the National Park System through formal partnership programs which conserve natural and cultural resources. In addition, NPS provides support to the national preservation program by developing a national inventory of historic properties, setting standards for historic preservation, and providing technical preservation assistance. NPS also assists, reviews, and coordinates the work of other Federal agencies and non-Federal partners in identifying and protecting historic properties.**

- **The NPS helps the Nation preserve and protect historical, cultural and recreational resources that are not part of the national system through grant and technical assistance programs including the National Register programs, Rivers, Trails and Conservation Assistance Heritage Partnership program, and Statutory or Contractual Aid for Other Activities.**

- **The Heritage Partnership Program provides annual matching grants to Congressionally designated National Heritage Areas preserving cultural landscapes and resources through cooperative programs. Recent budget justifications have recommended transitioning towards a more competitive process for awarding grants and providing assistance in order to promote greater self-sufficiency.**

BACKGROUND:

- The NR&P appropriation covers a broad range of activities relating to outdoor recreation planning, preservation of natural, cultural and historic resources, and environmental compliance. These programs provide a focal point at the Federal level for recreation and preservation planning; the coordination of Federal and State policies, procedures and guidelines; and the provision of technical assistance to Federal, State, and local governments and private organizations. The major programs in the appropriation include:

- **National Register Programs** — The National Register Programs encourage government and the private sector to preserve their cultural resources and offer a wide range of technical assistance for protecting historic and archeological properties. NPS assists communities in preserving significant

historic and archeological properties through formal designation and technical assistance. Federal designation qualifies historic properties for Federal financial assistance and regulatory protection. NPS: manages the National Register of Historic Places; reviews applications and certifies applications for Federal Tax Credits for Historic Preservation; and conducts cultural resources management planning.

- **Rivers, Trails, and Conservation Assistance** — Includes programs to promote river, trail, and natural area conservation for natural resource protection and to endorse recreation opportunities through State and local technical assistance, with a preference given to networks that include NPS areas; and the National Recreation Trails programs. Also includes the development and completion of congressionally mandated studies of river and trail routes for possible inclusion in the National Scenic and Historic Trails or Wild and Scenic Rivers Systems. The Rivers, Trails and Conservation Assistance (RTCA) program works closely with national parks and communities to develop a network of conserved rivers and trails. Through RTCA, the NPS helps partners use resources and tools available through Federal agencies and non-governmental groups to strengthen community projects.

- **Heritage Partnership Programs** — NPS provides financial and technical assistance through this activity to Congressionally designated national heritage areas managed by private or State organizations to promote the conservation of natural, historic, scenic, and cultural resources. A list of National Heritage Areas funded in the NPS budget is attached.

- **Statutory or Contractual Aid for Other Activities** — NPS provides financial or other assistance in the planning, development, or operation of natural, historical, cultural or recreation areas not managed by the National Park Service. Since 2000, 67 different sites have been provided aid. In 2008, 14 sites received funding. A list of areas receiving Statutory Aid is attached.

- **Other NR&P programs** — Includes natural resource stewardship programs such as National Natural Landmarks, Hydropower Recreation Assistance, and Environmental Compliance and Review; Cultural resource stewardship programs such as the National Center for Preservation Technology and Training and the Underground Railroad to Freedom Grants; Recreation programs; and the Office of International Affairs.

BUDGET TRENDS:

- From 2001 to 2005 and then again in 2008, funding for NR&P activities totaled around $60 million. Funding for the programs dropped in 2006 and 2007 to $55 million. The 2009 President's budget has a request for $45.5 million which includes elimination of funding for National Heritage Areas except for technical assistance to new areas and any site receiving Statutory Aid.

- **National Register Programs** — Funding for National Register Programs was steady at $15 million until 2007 when funding increased by $3.9 million to $18.8 million a level retained in 2008 and requested in 2009.

- **Rivers, Trails and Conservation Assistance** — Funding for RTCA has remained at about $9 million from 2000 through 2009 reqeust.

- **Heritage Partnership Programs** — Annual Congressional appropriations since 2000 have ranged from $6.8 in 2000 to $15.3 million in 2008. The Administration's budget request has usually been less than what has been appropriated by Congress. In FY 2008, allocations were provided to 34 individual areas. Funding ranged from $148,000 to $758,000. The FY 2009 budget request for NHAs is $7.0 million for commissions and grants and $92,000 for administrative support, a total of $7.1 million, and a decrease of $8.2 million from the amount appropriated in FY 2008.

- **Statutory Aid** — For the most part, these are classified as earmarks and the 2009 President's budget does not include funding for this activity. Total funding for statutory aid sites has ranged from $17.3 million in 2002 to $3.2 million in 2007.

National Heritage Areas Location and NPS Funding 2007-2009 Request

	National Heritage Area	State(s)	Enacted FY 2007	Enacted FY 2008	Request FY 2009
1	America's Agricultural Heritage Partnership (Silos and Smokestacks)	IA	770	758	0
2	Arabia Mountain NHA	GA	0	148	0
3	Atchafalaya NHA	LA	0	148	0
4	Augusta Canal NHA	GA	333	328	0
5	Freedom's Frontier NHA	KS/MO	0	148	0
6	Blue Ridge NHA	NC	749	737	0
7	Cache La Poudre River Corridor	CO	0	0	0
8	Cane River NHA	LA	642	632	0
9	Champlain Valley National Heritage Partnership	NY/VT	0	148	0
10	Crossroads of the American Revolution NHA	NJ	0	148	0
11	Delaware and Lehigh National Heritage Corridor	PA	662	652	0
12	Erie Canalway National Corridor	NY	769	756	0
13	Essex NHA	MA	682	671	0
14	Great Basin National Heritage Route	NV/UT	0	148	0
15	Gullah/Geechee Cultural Heritage Corridor	FL/GA/NC/	0	148	0
16	Hudson River Valley NHA	NY	532	524	0
17	John H. Chafee Blackstone River Valley National Heritage Corridor	MA/RI	705	694	0
18	Illinois and Michigan Canal National Heritage Corridor (*Reauthorized 2006)	IL	0	0	0
19	Lackawanna Valley NHA	PA	463	455	0
20	Mississippi Gulf Coast NHA	MS	237	232	0
21	Mormon Pioneer NHA	UT	0	148	0
22	MotorCities-Automobile NHA	MI	532	524	0
23	National Aviation Heritage Area	OH	237	232	0
24	National Coal Heritage Area	WV	118	116	0
25	Northern Rio Grande NHA	NM	0	148	0
26	Ohio and Erie Canal National Heritage Corridor	OH	694	683	0
27	Oil Region NHA	PA	236	232	0
28	Quinebaug and Shetucket Rivers Valley National Heritage Corridor	CT/MA	723	712	0
29	Rivers of Steel NHA	PA	719	708	0
30	Schuylkill River Valley NHA	PA	532	524	0
31	Shenandoah Valley Battlefields National Historic District	VA	472	465	0
32	South Carolina National Heritage Corridor	SC	718	707	0
33	Southwestern Pennsylvania Heritage Area	PA	0	0	0
34	Tennessee Civil War Heritage Area	TN	473	466	0
35	Upper Housatonic Valley National Heritage Area Act	CT/MS	0	148	0
36	Wheeling NHA	WV	631	621	0
37	Yuma Crossing NHA	AZ	371	365	0
	Assistance to New Areas		233	0	7,000
	Total		**13,233**	**14,274**	**7,000**

Statutory or Contractual Aid for Other Activities

Site		2007	2008	2009 Request	2009 CR
1	Angel Island Immigration Station	0	1,108	0	1,108
2	Brown Foundation for Educational Equity	123	295	0	295
3	Chesapeake Bay Gateways & Water Trails	739	1,674	0	1,674
4	Crossroads of the West Historic District	246	296	0	296
5	Ft. Mandan, Ft. Lincoln & No. Plains Foundation	308	197	0	197
6	Hudson-Fulton-Champlain Quadricentennial	0	492	0	492
7	Ice Age National Scientific Reserve	773	0	0	0
8	Jamestown 2007 Commission	394	197	0	197
9	Johnstown Area Heritage Assoc Museum	48	0	0	0
10	Keweenaw NHP Advisory Commission	0	197	0	197
11	Lamprey Wild & Scenic River	296	0	0	0
12	National Law Enforcement Acts [Pl 106-492]	0	738	0	738
13	National Voting Rights Interpretive Center	0	492	0	492
14	Native Hawaiian Culture & Arts Program	296	492	0	492
15	Southwest Pennsylvania Heritage Preservation Comr	0	1,181	0	1,181
16	Yosemite Schools	0	123	0	123
	TOTAL	**3,223**	**7,482**	**0**	**7,482**

NATIONAL PARK SERVICE
LAND AND WATER CONSERVATION STATESIDE GRANTS PROGRAM
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Enacted	2009 PB	Change from 2008 Enacted
Stateside LWCF Grants	0	20.0	88.8	140.0	94.4	91.4	89.7	28.0	28.0	23.1	0.0	-23.1
Stateside LWCF Grants Administration	0.5	1.0	1.5	3.9	3.0	2.5	1.5	1.6	2.3	1.4	0.0	-1.4
Total	0.5	21.0	90.3	143.9	97.4	93.9	91.2	29.6	30.3	24.5	0.0	-24.5

Key Points:

- **The Land and Water Conservation Fund is supported by States and Congress but has not been requested in the President's Budget since 2006.**

Background:

- The LWCF State grant program provides matching grants to States and local units of government for the acquisition and development of public outdoor recreation areas and facilities that provide public access to lands, waters, and other recreation resources.
- Grants to each State are determined by a set formula.
- The program underwent a PART review during the 2006 budget cycle. As a result of the review, OMB concluded that the program lacked adequate performance measures, the program had not demonstrated results, and NPS had not taken meaningful steps to address management deficiencies. The program received an overall rating of Results Not Demonstrated (RND).

Major Budget Trends:

- In 2002, the Administration requested a record high budget of $450 million to fund an array of recreation and conservation projects, enhancing State flexibility to establish priorities while achieving efficiencies in the delivery of funds by combining objectives of several Department grant programs under the LWCF umbrella. This strategy was not adopted by Congress and LWCF was funded at $143.9 million.
- Beginning in 2006, the Administration has not included requests for State assistance grants to focus on core Federal agency responsibilities but has requested funding for grants administration to allow staff to focus on accountability and performance of existing grants rather than issuing new grants. The 2009 request did not include any funding for grant administration.
- Congress has continued to fund the LWCF program since 2005 at reduced levels of $28.0 million in 2006 and 2007 and $23.1 million in 2008.
- The Gulf of Mexico Energy Security Act, which was enacted on December 20, 2006, guarantees a portion of off-shore oil receipts will be available specifically for LWCF state grants. An estimated total of $21.8 million in receipts will automatically supplement appropriated LWCF funds beginning in FY 2009 through FY 2017. These designated amounts of LWCF funds will automatically supplement appropriated funds. These funds will remain available until expended.

DEPARTMENT OF THE INTERIOR
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NOVEMBER 2008

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INDIAN AFFAIRS
BUREAU OVERVIEW
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	2,274.3	2,308.3	2,291.3	2,291.3	2,191.4	-99.9
Permanent	123.2	119.0	119.4	112.9	112.9	-6.5
Total	2,397.5	2,427.3	2,410.7	2,404.2	2,304.3	-106.4
FTE	9,233	8,731	8,404	8,404	8,577	173.0

Bureau Profiles

- Indian Affairs includes the Assistant Secretary – Indian Affairs, the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).

- The mission of the Bureau of Indian Affairs is to enhance the quality of life, to promote economic opportunity, and to carry out the responsibility to protect and improve the trust assets of American Indians, Indian tribes, and Alaska Natives.

- The mission of the Bureau of Indian Education is to provide quality education opportunities from early childhood through life in accordance with the tribes' needs to cultural and economic well being in keeping with the wide diversity of Indian tribes and Alaska Native villages as distinct cultural and governmental entities. The Bureau considers the whole person , including spiritual, mental, physical and cultural aspects.

- Extensive responsibilities for management and operations of the bureaus is vested in the Assistant Secretary, including policy and economic development and a range of management functions including information technology, budget and financial management, human capital, planning and policy analysis, and facilities and cultural resources. Approximately 275 of the 8,500 FTE are located in the Assistant Secretary's offices.

- The Bureau of Indian Affairs was established in 1824 under the War Department, and transferred to the Interior Department in 1849.

- The BIA and BIE provide services directly or through contracts, grants, or compacts to a service population of 1.6 million American Indians and Alaska Natives who are members of 562 federally recognized Indian Tribes in the 48 contiguous United States and Alaska.

- Indian Affairs employs approximately 8,500 employees of whom about 87 percent are American Indian or Alaska Native.

- Collectively, the Department's Indian programs cover virtually the entire range of State and local government services. Programs administered by either Tribes or BIA include social services such as welfare assistance; natural resources management on 56 million acres of trust land; economic development programs; law enforcement; administration of tribal courts; implementation of Indian settlements; replacement and repair of schools; repair and maintenance of roads and bridges; operation and maintenance of irrigation infrastructures; and repair of structural deficiencies on high hazard dams.

- Programs administered by BIE include an education system comprised of a 184 unit school system located on 63 reservations in 23 states serving approximately 44,000 elementary and secondary students. There are 28 tribal colleges, universities, and post-secondary schools.

- While the Congress has given primary responsibility for Indian matters to the Indian Affairs, several other Federal agencies provide funding to Indians, such as Education, Transportation, HHS, and HUD.

Legislative Issues

- In the last two centuries, the Congress has passed more Federal laws affecting Native Americans than any other group of people in the United States. The Snyder Act, the Indian Self-Determination and Education Assistance Act, the Native American Education Improvement Act of 2000, and the Indian Reorganization Act are just a few of the laws that have defined the Federal authority and obligation to provide various programs and services to Indian Country.

- At the end of the 110th Congress, 10 pending water or land settlements had legislation moving or were expected to introduce legislation shortly: Aamodt (Pueblo of Nambe, Pojoaque, San Il defonso, and Tesuque) (S. 3381), Taos (Pueblo of Taos) (S. 3381), Navajo-San Juan (Navajo Nation and Jicarilla Apache Nation) (S. 1171 and S. 3213), Tule River Indian Tribe, Fort Belknap (Gros Ventre and Assiniboine Tribes), Blackfeet Nation, Crow (S. 3355), Duck Valley (HR 5293), White Mountain Apache (S. 3473), and Little Colorado River (Navajo-Hopi). The Department testified against Aamodt, Taos, Navajo-San Juan, Crow, and Duck Valley on the grounds that, in addition to technical problems, the cost of the settlements exceeded the amounts that the Administration could support under Federal guidelines for the settlement of Indian water rights claims.

- The Higher Education Opportunity Act was passed in August 2008, and authorizes Interior to provide funding to the United Tribes Technical College and the Navajo Technical College.

- Pending bills that the next Congress may act on include an expansion of the Indian Self-Determination Act, comprehensive law enforcement reform, and recognition of Native Hawaiians.

Strategic Plan

- Strategic goals for Indian Affairs are within the Strategic Plan quadrant Serving Communities. Goals for Indian programs include:

  - Fulfill Indian Fiduciary Trust Responsibilities focusing on trust fund management and natural resource management; and
  - Advance Quality Communities for Tribes and Alaska Natives focusing on education and public safety.

Current Issues

- Tribal consultation on the development of policies and procedures is an important element of the unique government to government relationship with Tribes. Indian Affairs consults annually with the Tribes on the development of the budget. See separate paper.

- The role of Indian Affairs has changed significantly in the last three decades in response to a greater emphasis on Indian self-determination. Programs are funded and operated in a highly decentralized manner, with about 90 percent of all appropriations expended at the local level, and at least 50 percent of appropriations provided directly to Tribes and tribal organizations through grants, contracts, and compacts for Tribes to operate government programs and schools.

- Tribal leaders have identified methamphetamine as the single most critical issue facing Indian communities, with leaders suggesting that an entire generation of young people may be lost to this one drug. The Safe Indian Communities initiative provided $27 million beginning in 2008, and increased slightly in 2009, to combat the production and distribution of methamphetamine by organized crime and drug cartels, to address related effects including drug abuse, child neglect and abuse, and increase staffing for detention centers.

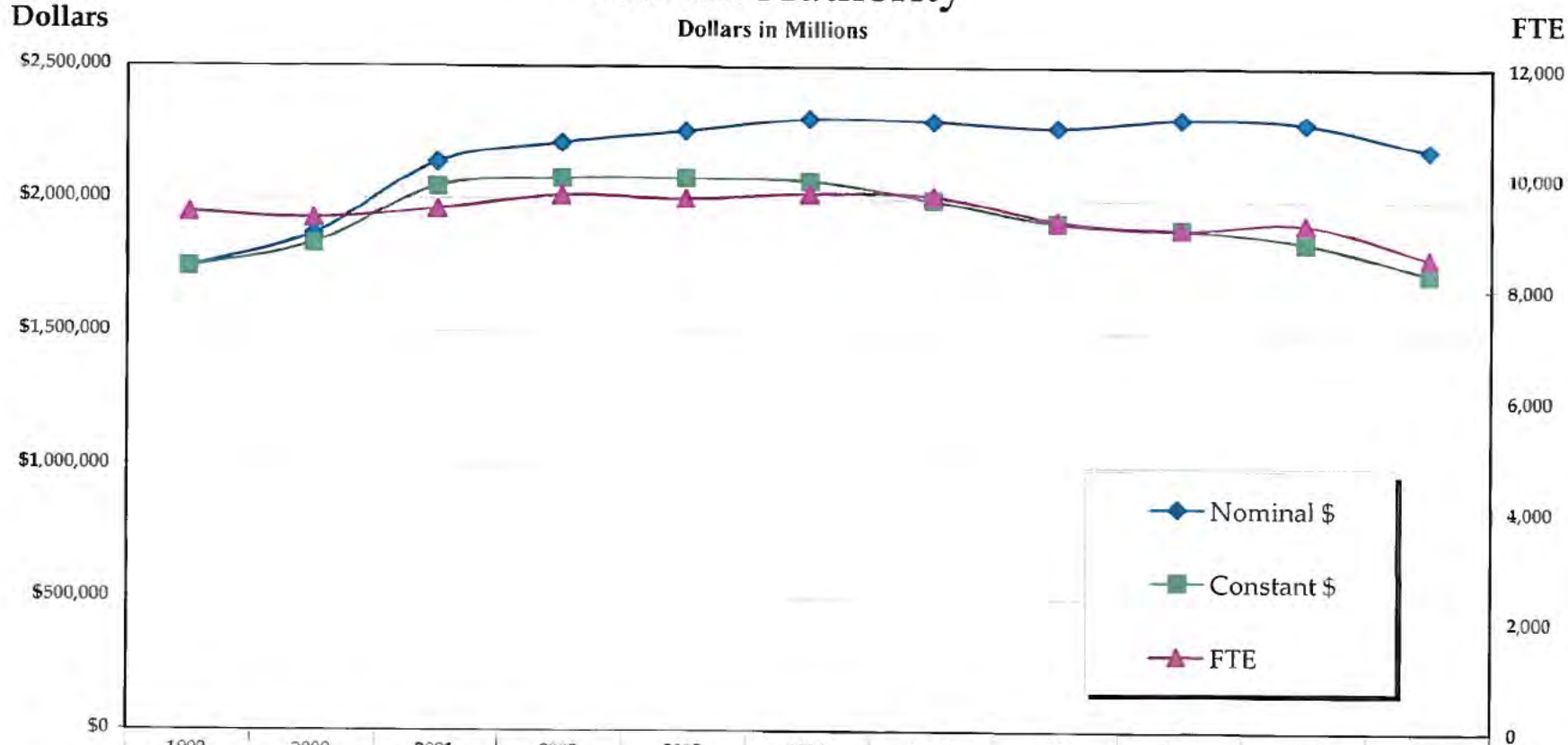
- Increased capacity, staffing levels, and training at detention centers is critical because of the increase in violent offenders incarcerated in BIA and tribal centers due to methamphetamine related crimes.

- BIE student performance remains lower than national averages. According to the 2007 National Assessment of Educational Progress, the Nation's report card, student performance in reading and mathematics in BIE schools is lower than that of students in public schools. This has been the focus of an Improving Indian Education Initiative begun in 2008 and continuing in 2009 and a funding increase of $24 million over 2007.

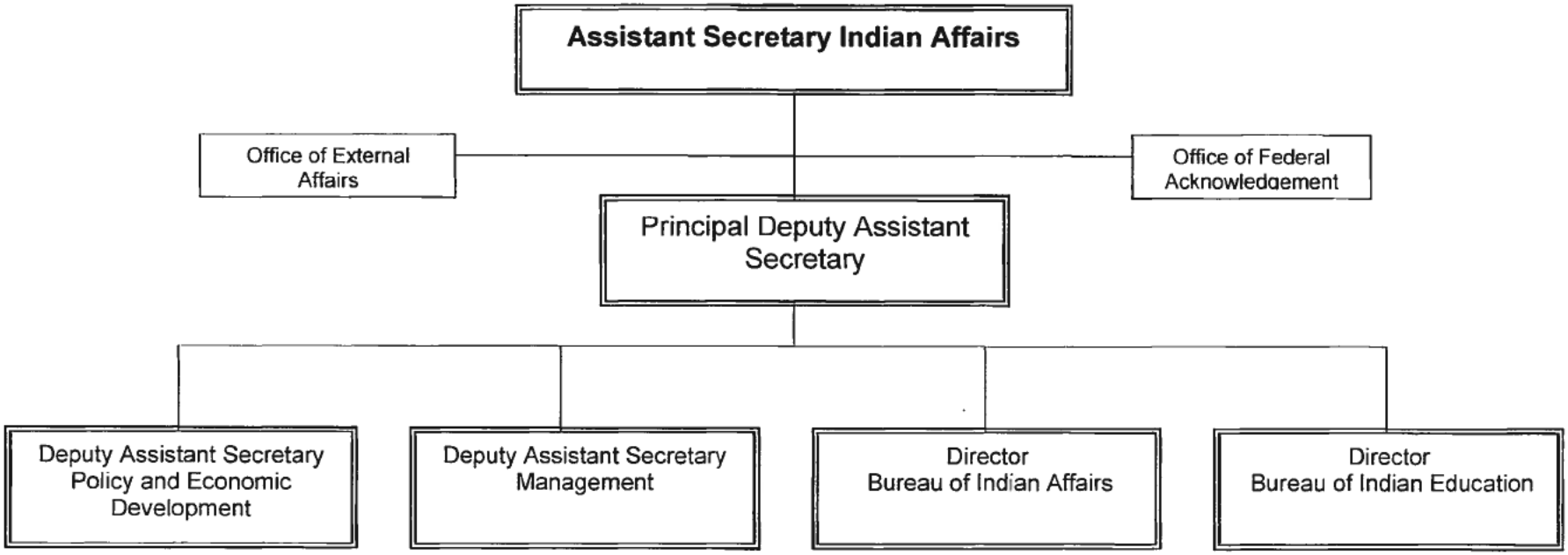
- In recently issued reports and review, GAO and the OIG have identified the following challenges in Indian Country:

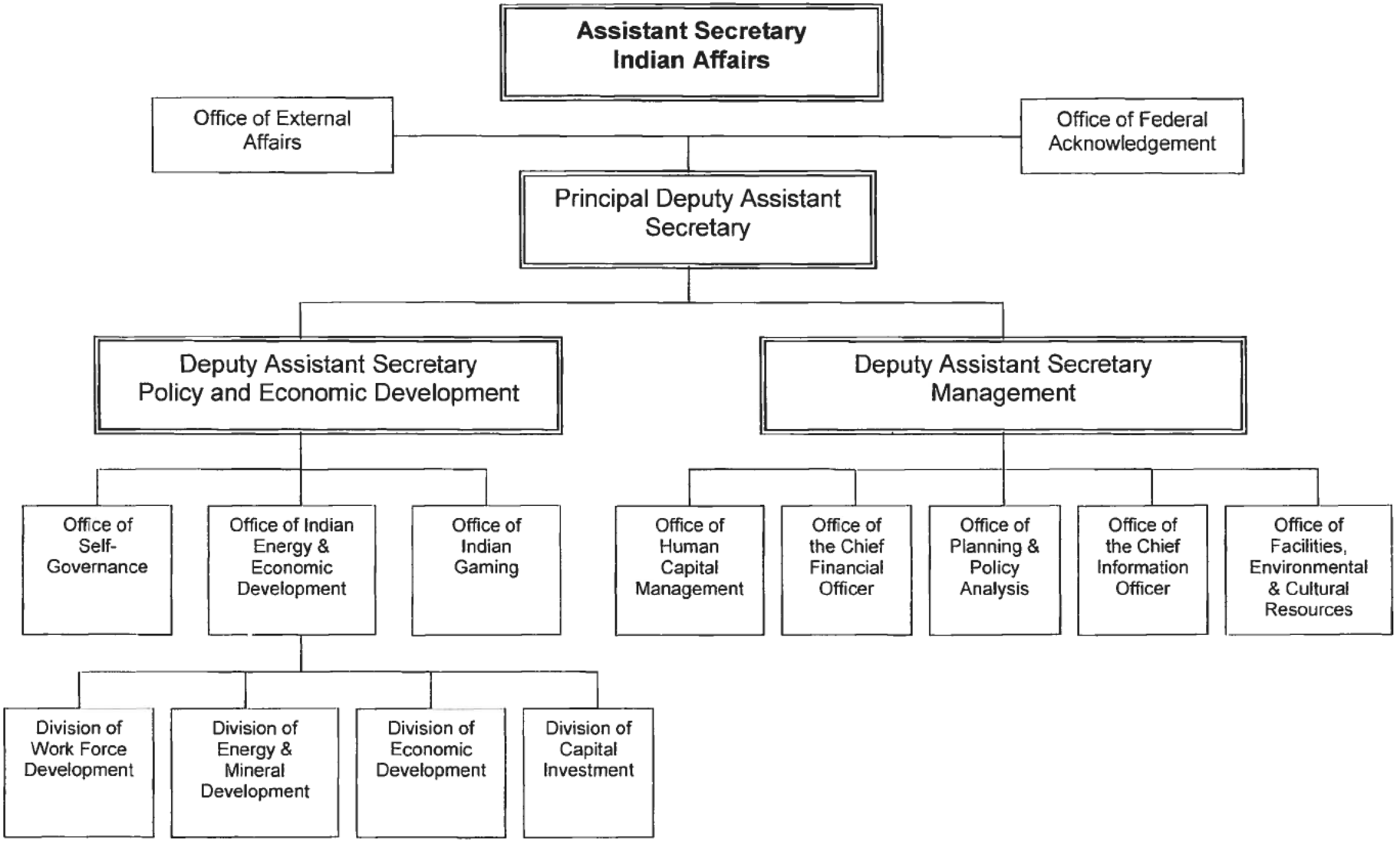
  - Health and Safety risks and security risks in BIE elementary and secondary schools;
  - Risks related to material weaknesses at BIA detention centers.

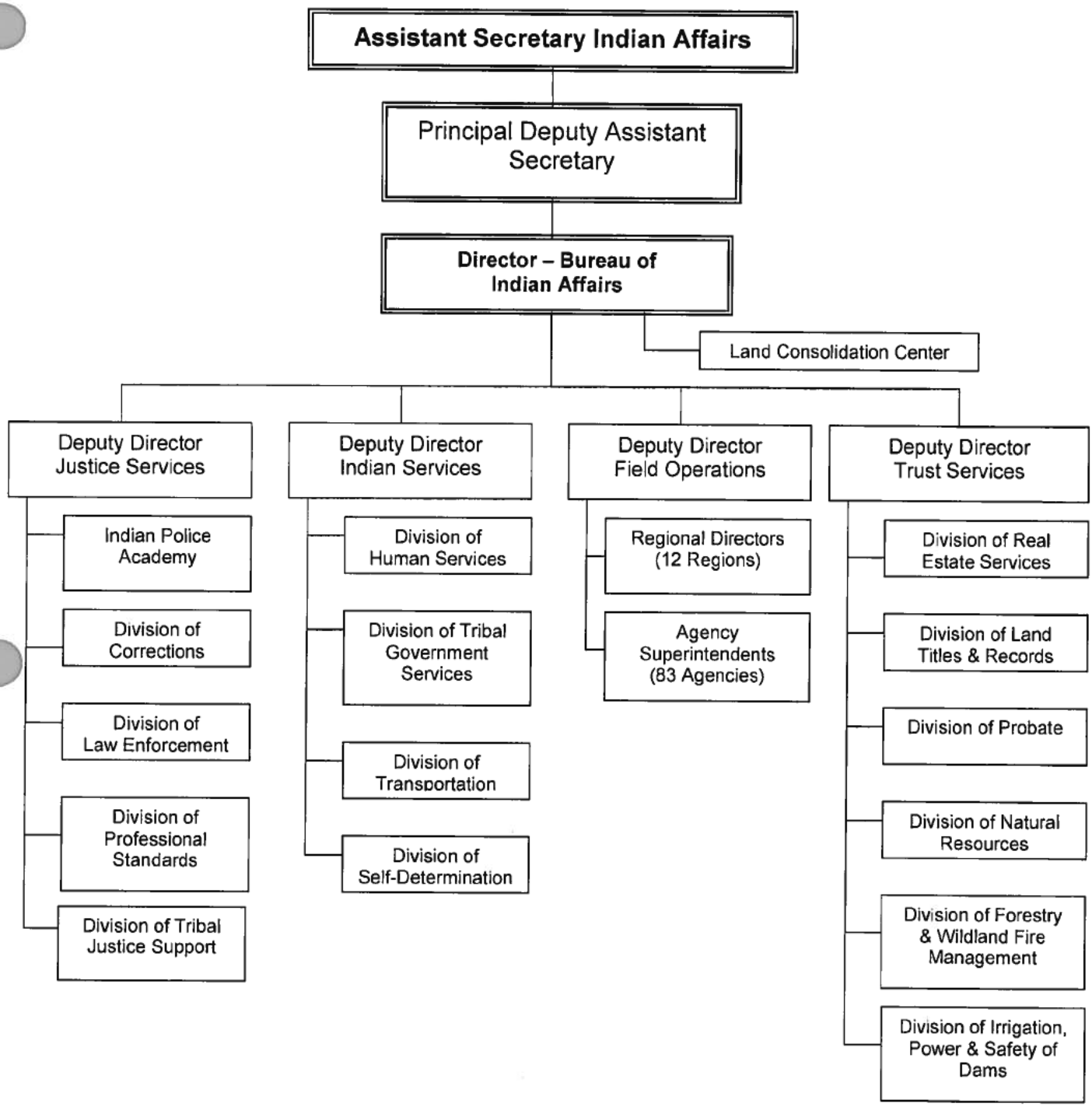
Indian Affairs
Current Authority

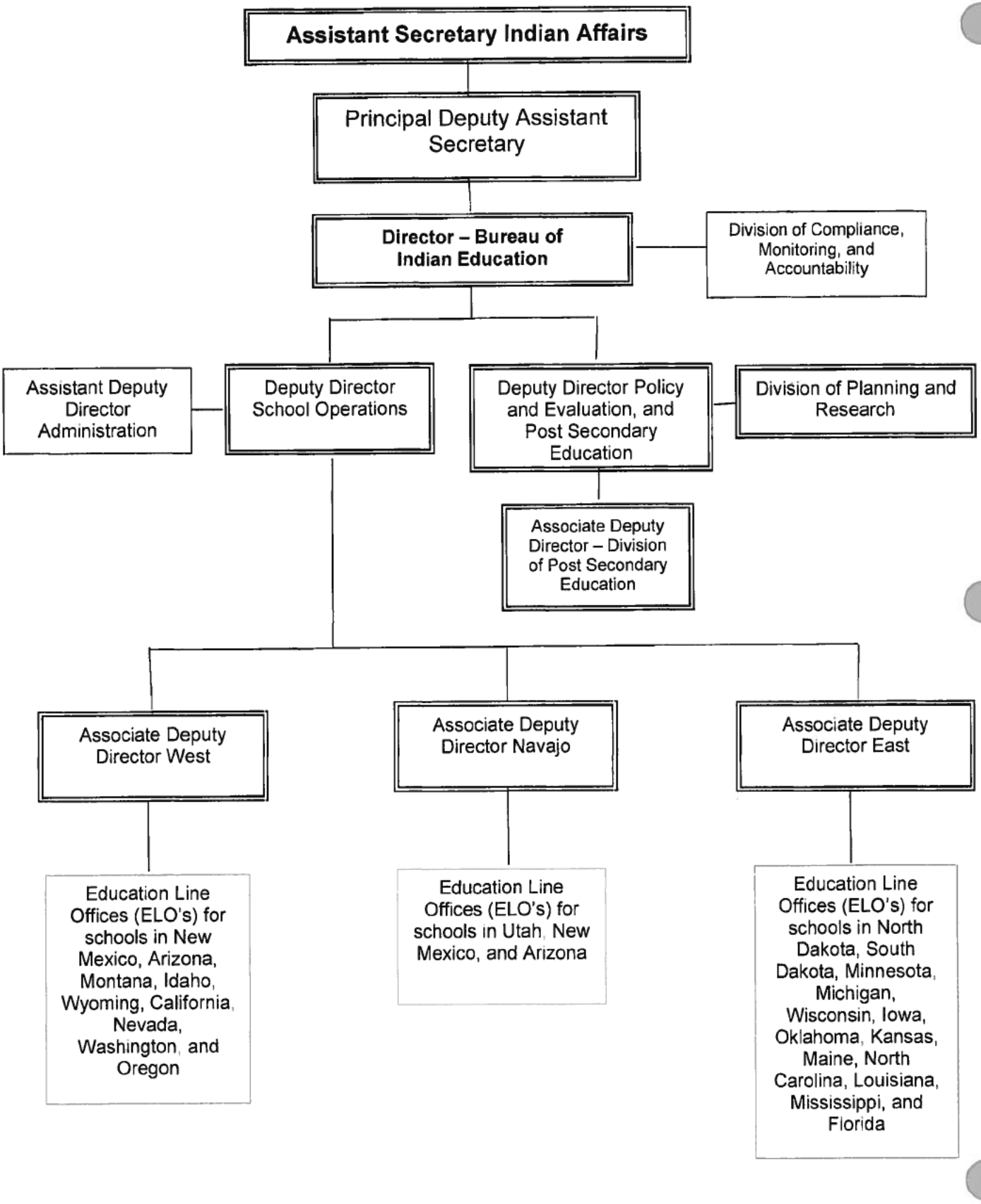


	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	1,741,428	1,867,890	2,137,617	2,211,452	2,257,243	2,305,814	2,296,892	2,274,270	2,308,304	2,291,279	2,191,364
Constant $	1,741,428	1,830,906	2,046,983	2,077,900	2,078,878	2,069,743	1,997,705	1,914,661	1,892,597	1,843,026	1,727,779
FTE	9,343	9,241	9,407	9,667	9,617	9,712	9,664	9,233	9,081	9,176	8,577


Assistant Secretary Indian Affairs
Office of External Affairs
Office of Federal Acknowledgement
Principal Deputy Assistant Secretary
Deputy Assistant Secretary Policy and Economic Development
Deputy Assistant Secretary Management
Director Bureau of Indian Affairs
Director Bureau of Indian Education


Assistant Secretary
Indian Affairs
Office of External Affairs
Office of Federal Acknowledgement
Principal Deputy Assistant Secretary
Deputy Assistant Secretary Policy and Economic Development
Deputy Assistant Secretary Management
Office of Self-Governance
Office of Indian Energy & Economic Development
Office of Indian Gaming
Office of Human Capital Management
Office of the Chief Financial Officer
Office of Planning & Policy Analysis
Office of the Chief Information Officer
Office of Facilities, Environmental & Cultural Resources
Division of Work Force Development
Division of Energy & Mineral Development
Division of Economic Development
Division of Capital Investment

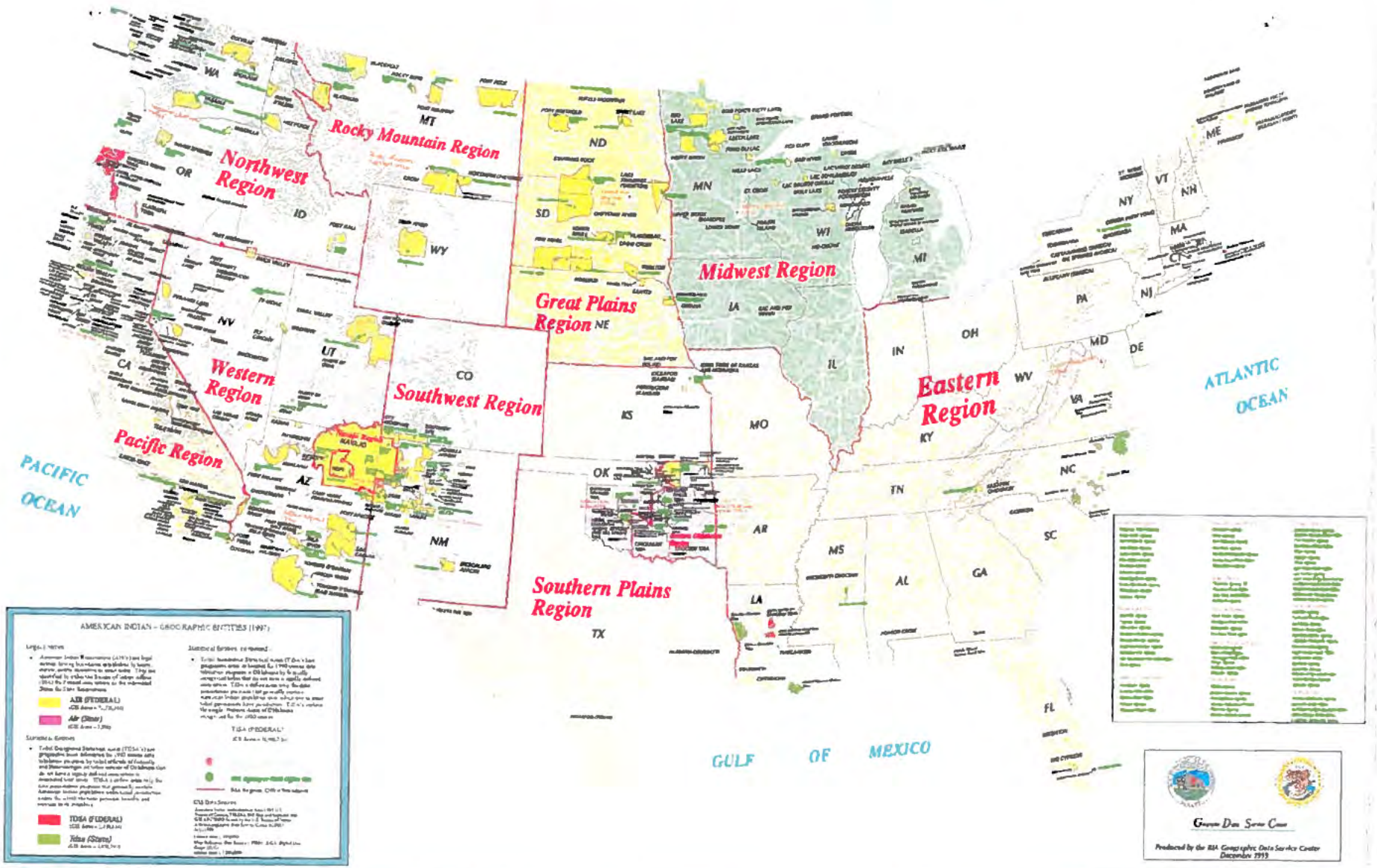

Assistant Secretary Indian Affairs
Principal Deputy Assistant Secretary
Director – Bureau of Indian Affairs
Land Consolidation Center
Deputy Director Justice Services
Indian Police Academy
Division of Corrections
Division of Law Enforcement
Division of Professional Standards
Division of Tribal Justice Support
Deputy Director Indian Services
Division of Human Services
Division of Tribal Government Services
Division of Transportation
Division of Self-Determination
Deputy Director Field Operations
Regional Directors (12 Regions)
Agency Superintendents (83 Agencies)
Deputy Director Trust Services
Division of Real Estate Services
Division of Land Titles & Records
Division of Probate
Division of Natural Resources
Division of Forestry & Wildland Fire Management
Division of Irrigation, Power & Safety of Dams


Assistant Secretary Indian Affairs
Principal Deputy Assistant Secretary
Director – Bureau of Indian Education
Division of Compliance, Monitoring, and Accountability
Assistant Deputy Director Administration
Deputy Director School Operations
Deputy Director Policy and Evaluation, and Post Secondary Education
Division of Planning and Research
Associate Deputy Director – Division of Post Secondary Education
Associate Deputy Director West
Associate Deputy Director Navajo
Associate Deputy Director East
Education Line Offices (ELO's) for schools in New Mexico, Arizona, Montana, Idaho, Wyoming, California, Nevada, Washington, and Oregon
Education Line Offices (ELO's) for schools in Utah, New Mexico, and Arizona
Education Line Offices (ELO's) for schools in North Dakota, South Dakota, Minnesota, Michigan, Wisconsin, Iowa, Oklahoma, Kansas, Maine, North Carolina, Louisiana, Mississippi, and Florida

BUREAU OF INDIAN AFFAIRS
Regional Map

5/22/01

Indian Lands in the United States



Produced by the BIA Geographic Data Service Center
December 1999

Indian Country Today Statistics

- **There are 562 federally recognized American Indian tribes and Alaska Natives in the United States.**

- **Bureau of Indian Affairs (BIA) is responsible for the administration and management of 56 million acres of land held in trust by the United States for American Indian, Indian tribes, and Alaska Natives.**

- **52.7 million acres of land belong to Indian tribes and individuals.**

2005 Indian Labor Force Report:

- Tribal Enrollment was 1,978,099 which is an increase of three percent from 2003, and 38% from 1995. The increase is attributed to updated tribal rolls, improved record keeping procedures, and revisions to tribal enrollment data.

- The 2005 Service Population was 1,731,178 which is an increase of nine percent from 2003, 37% from 1995, and 136% from 1982.

- Unemployment in Indian Country is 49%. (Note: The Labor Report calculates unemployment differently than the U.S. Labor Department by applying a broader definition of unemployed: anyone over the age of 16 not working is considered unemployed.)

- Twenty-nine percent of Indian individuals are employed below the poverty guidelines

We the People: American Indians and Alaska Natives in the United States, Census 2000 Special Reports, February, 2006:

- The American Indian and Alaska Native population was younger than the total population.

- American Indians and Alaska Natives participated in the labor force at a lower rate than the total population, and labor force participation varied by tribal groupings.

- American Indians and Alaska Natives were less likely than the total population to be employed in management, professional, and related occupants.

- Overall, American Indians and Alaska Natives who worked full-time, year-round earned less than the total population.

- A higher ratio of American Indians and Alaska Natives than the total U.S. population lived in poverty.

- One-third of American Indians and Alaska Natives lived on reservations and designated statistical areas.

- The American Indians and Alaska Native population living on tribal lands was relatively young.

SUMMARY OF BUREAU APPROPRIATIONS

(all dollar amounts in thousands)

Comparison of 2009 Request with 2008 Enacted:

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Operation of Indian Programs	5,910	2,047,809	5,833	1,988,290	-77	-59,519
Reimbursable Programs	866	0	866	0	0	0
Allocations from Other Agencies	609	0	559	0	-50	0
Construction	413	203,754	416	173,261	+3	-30,493
Reimbursable Programs	37	0	37	0	0	0
Allocations from Other Agencies	447	0	447	0	0	0
Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians	0	33,538	0	21,627	0	-11,911
Indian Guaranteed Loan Program Account	0	6,178	0	8,186	0	+2,008
Subtotal, Appropriations	8,282	2,291,279	8,158	2,191,364	-124	-99,915
Permanents and Trusts						
Operation and Maintenance of Quarters	55	5,500	55	5,500	0	0
Miscellaneous Permanent Appropriations	364	103,625	364	105,698	0	+2,073
White Earth Settlement Fund	0	3,000	0	3,000	0	0
Indian Loan Guaranty and Insurance Fund Liquidating Account	0	-250	0	-250	0	0
Indian Direct Loan Program Account	0	315	0	0	0	-315
Indian Guaranteed Loan Program Account	0	8,237	0	0	0	-8,237
Revolving Fund for Loans, Liquidating Account	0	-1,000	0	-1,000	0	0
Subtotal, Permanents and Trusts	419	119,427	419	112,948	0	-6,479
TOTAL, BUREAU OF INDIAN AFFAIRS	**8,701**	**2,410,706**	**8,577**	**2,304,312**	**-124**	**-106,394**

INDIAN AFFAIRS
BUDGET OVERVIEW

Major Budget Trends:

- The Indian Affairs budget increased by $549.9 million or 24 percent over the last ten years in nominal dollars. In constant dollars this is an increase of one percent. Staffing measured in FTE has declined by two percent.

- The Indian Affairs budget experienced a realignment to focus on Indian trust requirements. Since the beginning of the *Cobell* case in 1996, funding for Indian trust programs, including resource management, has increased by 230 percent in nominal dollars. By comparison other Indian programs have increased by 23 percent in nominal dollars.

- Major budget initiatives at the beginning of the Bush Administration, presented for the first time in the 2002 budget, included Indian Education and the backlog of school construction. After funding increases of $162.1 million or 50 percent, funding for school construction began declining in 2004. Between 2004 and 2008 funding for education construction was reduced by $152.5 million or 48 percent.

- The Indian Affairs budget increased by 19 percent between 2000 and 2004, with increases focused in education, law enforcement and detention center staffing, trust-related activities, and resource management. Since 2004, the Indian Affairs budget has declined overall by five percent.

- The 2008 and 2009 President's budgets focused on two Indian Country initiatives – Safe Indian Communities and Improving Indian Education. The Safe Indian Communities initiative targets the scourge of methamphetamine on Indian reservations, and the resulting rise in violent crime. The Improving Indian Education initiative focuses on the core mission of educating the 44,000 students in BIE funded schools.

- The 2009 budget proposed reductions of $100 million in programs that have significant tribal support including housing, roads, welfare assistance, scholarships, and construction.

- Water settlements are fully funded, based on the terms of the settlement. Settlements are budgeted once they are enacted and are normally accommodated within the overall Indian Affairs budget. Between 2004 and 2008, funding for settlements was reduced by $38.9 million as a result of reduced requirements.

2009 Budget:

- The 2009 budget funds Indian Affairs at $2.2 billion, a $100 million decrease or 4.4 percent below the 2008 enacted level.

- The 2009 budget includes $25.6 million in programmatic increases for programs that provide a safe, secure, and economically sound future for Indian children. The budget includes funding to foster economic development, provide job placement and training, reduce crime on reservations, improve trust management, and support student achievement.

- The 2009 budget includes $125.9 in programmatic decreases. The proposed program eliminations and reductions reflect priorities established during tribal consultation on the 2009 budget which placed an emphasis on programs and projects that benefit the greatest number of Tribes on a nationwide basis.

- Fixed costs total $35.0 million, of which $28.9 are budgeted and $6.1 will be absorbed through cost savings. The request funds most pay and health care costs and fully funds costs paid to other agencies and the Department's Working Capital Fund.

Operation of Indian Programs. The 2009 budget request for BIA's operating account proposes $2.0 billion, a decrease of $59.5 million from the 2008 enacted level. Key changes in the 2009 request as compared to the 2008 enacted level include:

- The 2009 budget includes an additional $2.9 million for a total Safe Indian Communities initiative of $26.6 million. Funding for BIA law enforcement totals $229.6 million, including $1.0 million for the new Safe Borderlands Initiative. The President's budget also includes $1.5 million in increased funding for additional social workers in Indian country to address the rise in families in crisis, particularly the needs of neglected children that accompany drug abuse and addiction.

- The 2009 request for BIE elementary and secondary school operations is $562.6 which supports 184 schools and dormitories located on 63 reservations in 23 States serving approximately 44,000 students. The BIA school construction program is funded at $115.4 million. In addition, as the equivalent of a State Education Agency, the Department of Education provides $201.7 million to BIE to administer and provide technical support for Department of Education programs for disadvantaged children and individuals with disabilities.

- The Department has made significant improvements in the programs that are cornerstones to providing services to beneficiaries and establishing a viable trust organization. The 2009 President's budget provides $300.7 million to meet the requirements outlined in the Fiduciary Trust model and continue trust reform initiatives. The funding increase of $10.7 million is to address the probate backlog.

- The 2009 request eliminates the $13.6 million funding for the Housing Improvement Program due to an eligibility overlap with HUD. The 2009 request also eliminates the $21.6 million in funding for Johnson O'Malley Assistance Grants, which do not address a focused goal for academic achievement and lack a means to measure and report on program impacts on student performance.

- The 2009 request includes a reduction of $12.5 million for the Roads Maintenance program. The proposal to reduce the program is consistent with the Administration's policy to gain efficiencies through consolidation of Federal programs while continuing to provide critically needed services to its constituents, as Tribes are now able to use up to 25 percent of their Highway Trust Fund allocation on road maintenance activities.

Education Construction. The 2009 budget requests $115.4 million for school construction and repair. The budget funds one replacement school and one replacement facility project, and provides annual maintenance funding at the 2008 enacted level.

Indian Land and Water Settlements. The 2009 Budget includes $21.6 million for new and continuing land and water settlements. The 2010 budget will need to address the new Soboba settlement. There are a number of other settlements pending in the 110th Congress that could significantly impact the BIA budget.

Indian Guaranteed Loan Program. The 2009 budget includes $8.2 million for the BIA guaranteed loan program, an increase of $ 2.0 million. The program guarantees loans for economic development in Indian Country. The budget also includes an additional $1.0 million for job training programs, primarily for construction workers who can receive on-the-job training on highway projects near reservations.

INDIAN AFFAIRS
TRIBAL LEADERS/CONSULTATION PROCESS

Current Policy:
The current policy was developed in consultation with regional tribal representatives convened by the National Congress of American Indians. The policy was issued on December 13, 2000, by the Assistant Secretary – Indian Affairs during a ceremony witnessed by a large number of tribal leaders and their representatives. The policy directs that the Bureau will be guided by six principles:

1. The United States has a unique legal relationship with Indian tribal governments as set forth in the Constitution of the United States, treaties, statutes, executive orders, and court decisions.

2. The United States recognizes the ongoing right of Indian tribes to self-government and supports tribal sovereignty and self-determination and continues to work with Indian tribes on a government-to-government basis concerning Indian tribal self-government, trust resources, and Indian tribal treaty and other rights.

3. Federal actions shall be guided by respect for Indian tribal self-government and sovereignty, for tribal treaty rights, and for responsibilities that arise from the unique legal relationship between the Federal Government and Indian tribal governments.

4. Federal actions shall favor maximum tribal participation with the goal of consultation and collaboration in federal decision making.

5. Federal action shall defer to the laws and policies established by Indian tribes to the extent permitted by law.

6. The Bureau shall maximize the use of technology to facilitate interactive exchanges with tribes and notify affected tribes that written comments are permitted and will be considered.

Further, the policy prescribes that consultation between the Bureau of Indian Affairs and the Indian tribes shall conform to three common procedures. These procedures allow flexibility and discretion to the Bureau depending on the matter under consultation. The three major procedural steps of consultation are:

A. Pre-Decisional Scoping
B. Developing the Bureau Proposal
C. Implementation of Final Federal Action

Beyond these common steps, Bureau managers develop additional procedures to meet their programmatic needs and requirements.

Policy Impact on the Budget Process:

- The Tribal Budget Advisory Council was formed in fiscal year 1999 to assist in the consultation process on the budget.

- The TBAC has its basis in 25 USC 450j-1(i): "On an annual basis, the Secretary shall consult with, and solicit the participation of, Indian tribes and tribal organizations in the development of the budget for the…Bureau of Indian Affairs (including participation of Indian tribes and tribal organizations in formulating annual budget requests that the Secretary submits to the President for submission to Congress pursuant to section 1105 of Title 31).

- The TBAC membership consists of the Assistant Secretary – Indian Affairs, the Special Trustee for American Indians, Tribal Representatives (24), two Tribal co-chairs, and an Assistant Secretary Indian Affairs federal co-chair.

- The TBAC meets quarterly. Three meetings are held in Washington, D.C. to facilitate strategy efforts; the fourth meeting is held in the field and is usually hosted by a tribe.

- The TBAC is made up of various subgroups. The Budget subcommittee has the most impact on the federal budget process. This subcommittee actively participates with Indian Affairs in budget development, meets with OMB, and participates in the creation of TBAC agendas.

- The TBAC plays an integral part in the development of Indian Affairs' budget for the Department submission. After the budget is submitted to the Department, the TBAC is no longer consulted in the budget process.

INDIAN AFFAIRS
TRIBAL PRIORITY ALLOCATIONS
(DOLLARS IN MILLIONS)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
TPA	699.0	700.7	733.0	752.2	772.5	772.1	775.6	757.7	769.8	774.5	710.2	-64.3

Key Points:

- **Tribal Priority Allocations are the core funding provided by Indian Affairs to Tribes to assist in the operation of their tribal governments. TPA funding is historically based and founded on the unique government-to-government relationship that Tribes have with the Federal government through Indian Affairs.**

- **Tribal Priority Allocations fund basic tribal services, such as social services, adult vocational training, child welfare, natural resources management, and contract support. TPA gives Tribes the opportunity to further Indian self-determination by establishing their own priorities and moving Federal funds among programs.**

- **Over the past several years the OMB passback has contained significant across-the-board cuts to TPA, citing the use of a historical allocation methodology.**

Background:

- Tribal Priority Allocations are provided to Tribes through grants, contracts, and compacts.

- Law enforcement and education programs are not funded through Tribal Priority Allocations, even when a Tribe has contracted to run the program.

- The funding process used today is an allocation based on historical funding levels established in the early 1970s, and has remained essentially the same. In an effort to improve program accountability and to ensure that funding is targeted to the areas of greatest need, the Department has aggressively pursued consultation with Tribes on the issue of exploring ways to better distribute TPA funding. To date, tribal leaders, through the Tribal Budget Advisory Council, have expressed no interest in altering the current allocation methodology.

- To improve the TPA distribution method, Indian Affairs has reformed TPA. The current budget no longer treats TPA as a "budget activity." The Indian Affairs budget is now structured, by Congressional direction, programmatically. The reformed

budget structure has allowed Indian Affairs to have more of a programmatic focus and set priorities.

- Many Tribes view the distribution of Federal funds as representative of the Federal commitment to American Indians and Alaska Natives. The benefits, protections, and services provided to tribal governments are based not on need, but on Indian Tribes' status derived from and supported in the Constitution, treaties, and other federal law.

- In a 1999 study, Tribes, along with Indian Affairs, looked extensively at the issue of funding need relative to the distribution of TPA funds. Indian Affairs has revisited the TPA distribution method in the past two years at both Tribal Budget Advisory Committee (TBAC) meetings and at the TBAC budget subcommittee meetings. The overall tribal consensus based on these reviews is that redistributing TPA to the neediest of Tribes, or means testing federal funds, violates treaty responsibilities.

Budget Trends:

- Although TPA is no longer a budget line item, funding has remained relatively stable between 2004 and 2008.

2009 Budget:

- The 2009 budget included $64.3 million in reductions to TPA programs. The $13.6 million Housing Improvement Program was eliminated, $21.4 million in Johnson O'Malley Assistance Grants was eliminated, Welfare Assistance was reduced by $22.4 million, and the Roads Maintenance program was reduced by $12.5 million.

INDIAN AFFAIRS
SCHOOL OPERATIONS
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Enacted	2009 Request	Change from 2008 Enacted
School Operations	496.5	486.6	507.8	523.6	531.9	541.1	536.5	542.4	549.3	577.9	563.2	-14.7
FTE	2,954	2,733	2,854	2,987	2,842	2,786	2,699	2,496	2,360	2,216	2,030	-186

Key Points:

- **The Bureau of Indian Education serves roughly 44,000 students through 183 schools and dormitories which are located on 63 reservations in 23 states. One third of the schools are BIE operated; the rest are operated by Tribes.**

- **The 2009 budget request includes an increase of $1.4 million in key activities to promote gains in student achievement.**

- **BIE student performance remains lower than national averages. According to the 2007 National Assessment of Educational Progress, the Nation's report card, student performance in reading and mathematics in BIE schools is lower than that of students in public schools.**

Background:

- The BIE operates one of two Federal school systems; the other is operated by the Department of Defense.

- The mission of BIE is to provide quality education opportunities from early childhood through life. Education is critical to ensuring a viable and prosperous future for tribal communities and American Indians.

- The total 2009 request for BIE school operations is $563.2 million. The BIE schools also receive funding from the Department of Education, Tribes, and other sources. The BIE provides approximately two-thirds of the overall funding used to operate the BIE elementary and secondary schools.

- BIA funding from DoEd increased by about $50 million in 2002 as an outcome of the No Child left Behind Act (NCLBA) of 2001 and has remained at about the $200+ million range since then.

- BIE enrollment is approximately 44,000 compared to almost 48,000 four years ago.
    - Negotiated rulemaking for the NCLBA resulted in a change in the way student enrollment is determined.

- Prior to school year 2005, the student population was estimated based on attendance during a single week in September. Starting in SY 2005-06, enrollment reflects attendance over the entire school year and includes absences and transfers in and out of the school. The result is similar to the Federal Full Time Equivalent (FTE) count of employees.

- The change in the methodology to establish enrollment resulted in a significantly reduced student count. In SY 04-05, the last year of using the old calculation methodology, the student count was 47,588. In SY 2006-07 the count was 42,771. The number of individual students served in the year did not change.

- Negotiated rulemaking requires that BIE use a three year rolling average be used for purposes of formula funding distribution due to short term attendance fluctuations that occur due to any number of factors. The latest available student enrollment of 44,360 averages in data form SY 04-5 though SY 06-07.

- The BIE school system schools are required to achieve Adequate Yearly Progress (AYP) goals established by the NCLBA. Schools must attain goals for student achievement in math, reading, and language arts; student attendance; high school graduation rates; and teacher qualifications to achieve AYP. BIE maintains its goal that 100 percent of the schools will achieve AYP by 2014.

- In school year 2005-2006, only 30 percent of BIE schools met the measure for AYP goals.

- Roughly ninety percent of Indian children attend public schools. Historically, Congress has included funding for Johnson O'Malley grants which the tribes use to provide funding to public schools to assist with educating Indian children. However, the Department does not include this in the budget because the program does not support the core mission of improving Indian education in BIE schools.

Budget Trends:

- Funding for BIA school operations increased on average by 1.7% per year from 1999 to 2008 and was funded at an average of $556.5 million for the past three years.

- Funding per BIE student was $13,324 in 2001, compared to the national average of $7,376. In the 2009 budget, schools will receive $17,229 per student including all school operations funding and over $200 million in funds that BIE schools receive from the Department of Education.

INDIAN AFFAIRS
SCHOOL CONSTRUCTION
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Enacted	2009 Request	Change from 2008 Enacted
Replacement School Construction	17.4	62.9	141.2	127.8	124.4	140.0	105.6	64.5	83.9	46.7	22.4	-24.3
FTE	*2*	*0*	*0*	*0*	*0*	*0*	*0*	*2*	*1*	*1*	*1*	0
Tribal School Construction Demonstration Program					2.9	5.9	12.3					0
FTE					*0*	*0*	*0*					0
Replacement Facility Construction									26.9	9.7	17.0	7.3
FTE									*0*	*0*	*0*	0
Employee Housing Repair	3.0	2.5	3.1	3.1	3.1	3.1	3.0	2.0	1.9	1.9	1.6	-0.3
FTE	*2*	*8*	*3*	*5*	*1*	*2*	*2*	*3*	*2*	*2*	*2*	0
Facilities Improvement and Repair	71.0	67.8	148.0	162.0	163.3	146.3	142.5	140.3	92.2	84.5	74.4	-10.1
FTE	*23*	*250*	*150*	*178*	*283*	*242*	*242*	*321*	*322*	*322*	*322*	0
TOTAL	**91.4**	**133.2**	**292.3**	**292.9**	**293.7**	**295.3**	**263.4**	**206.8**	**204.9**	**142.8**	**115.4**	**-27.4**
FTE TOTAL	27	258	153	183	284	244	244	326	325	325	325	0

Key Points:

- **The 2009 budget requests $115.4 million for school construction and repair, a reduction of $27.4 million.**

- **The education construction account includes $39.4 million for replacement construction projects and $74.4 million for facilities improvement and repair projects including $50.7 million for annual maintenance. Employee housing is funded at $1.6 million.**

- **School construction funding has declined 60.9% since 2004, when funding totaled $295.3 million, to $115.4 million. The fiscal year 2009 school construction budget funds new projects while allowing the program to focus on completion of school already funded.**

- **Under the No Child Left Behind Act the Secretary was required to conduct negotiated rulemaking to develop a rule that "determines replacement and new construction need(s) and a formula for the equitable distribution of funds." To meet this requirement BIA developed a replacement school construction priority list which was published in the Federal Register in 2004 to determine the order in which Congressional appropriations are requested to fund education replacement construction of core academic and/or dormitory**

Background:

- BIA's facility inventory contains approximately 4,500 education buildings, including quarters, at 183 schools and dormitories that serve about 44,000 students.

- The major activities associated with the Education Construction Program include:

    - The Replacement School Construction program provides for total replacement of an existing school campus.

    - The Replacement Facility Construction program funds the replacement of individual buildings where rehabilitation, upgrades, or repair of the existing facilities approaches sixty per cent of the cost of a replacement building.

    - The Employee Housing Repair program provides improvement and repair to approximately 3,558 housing units in remote locations necessary to house essential employees and their families.

    - The Education Facilities Improvement and Repair program provides funding for the everyday maintenance, minor improvements, major repairs to the building structure and building system components that are necessary to sustain and even prolong the useful life of education buildings.

- BIA uses the Facilities Condition Index (FCI) and the Asset Priority Index (API) to assist in determining when facility replacement is more cost-effective than continued repair.

- When possible, BIA integrates Leadership in Energy and Environmental Design (LEED) into school construction activities.

- Since 2002, Education Construction funding has resulted in the initiation of 74 projects, including 32 replacement school projects, three replacement facilities projects, and 39 major facilities and repair projects. Of these, 24 will be completed by end of calendar year 2008.

Status of School BIA School Construction Projects funding 2002-2008

		Construction Status		
Project category	**Projects funded**	**Planning & Design**	**Construction**	**Complete**
Replacement schools	32	8	12	12
Replacement facilities	3	3	0	0
Major Facilities Improvement & Repair	39	11	16	12
TOTAL School Projects	**74**	**22**	**28**	**24**

- BIA has taken steps to improve the management of construction, including:
    - In fiscal year 2007 the BIA worked with construction industry partners to publish a two volume compendium of architectural and engineering standards of design for education facilities.

- In the past, construction projects were delayed for various reasons such as setbacks in planning and design along with difficulties in executing construction plans in a timely manner. Now, the BIA has mechanisms in place to stay on target including specific procedures to ensure appropriate tracking and evaluation of construction projects through each phase until completion. If needed, BIA will take over construction if tribes cannot obligate funds.

- In 2004, BIA published the Replacement School Construction Priority List which was developed in consultation with the tribes. Of the 14 schools on the list, four are under construction, four are in the design phase, and six are in the initial planning phase. Currently, BIA is forming a new committee to develop the next priority list. BIA plans to hold the first committee meeting in January, 2009.

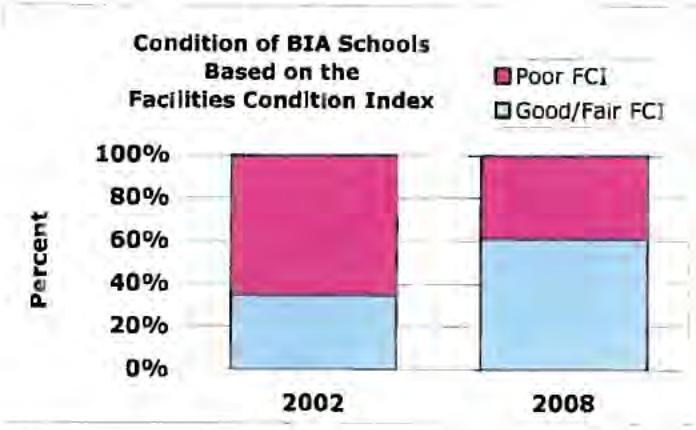
Trends:

- With funding provided from 2002 to 2008, 61% of schools will be in good or fair condition. This compares to 35% in 2002.

Condition of BIA Schools

School	Number of Schools		Percent of Schools	
Condition*	2002	2008	2002	2008
Good/Fair FCI	64	113	35%	61%
Poor FCI	120	71	65%	39%
TOTAL	**184**	**184**	**100%**	**100%**

*Condition reflects funding through column year.

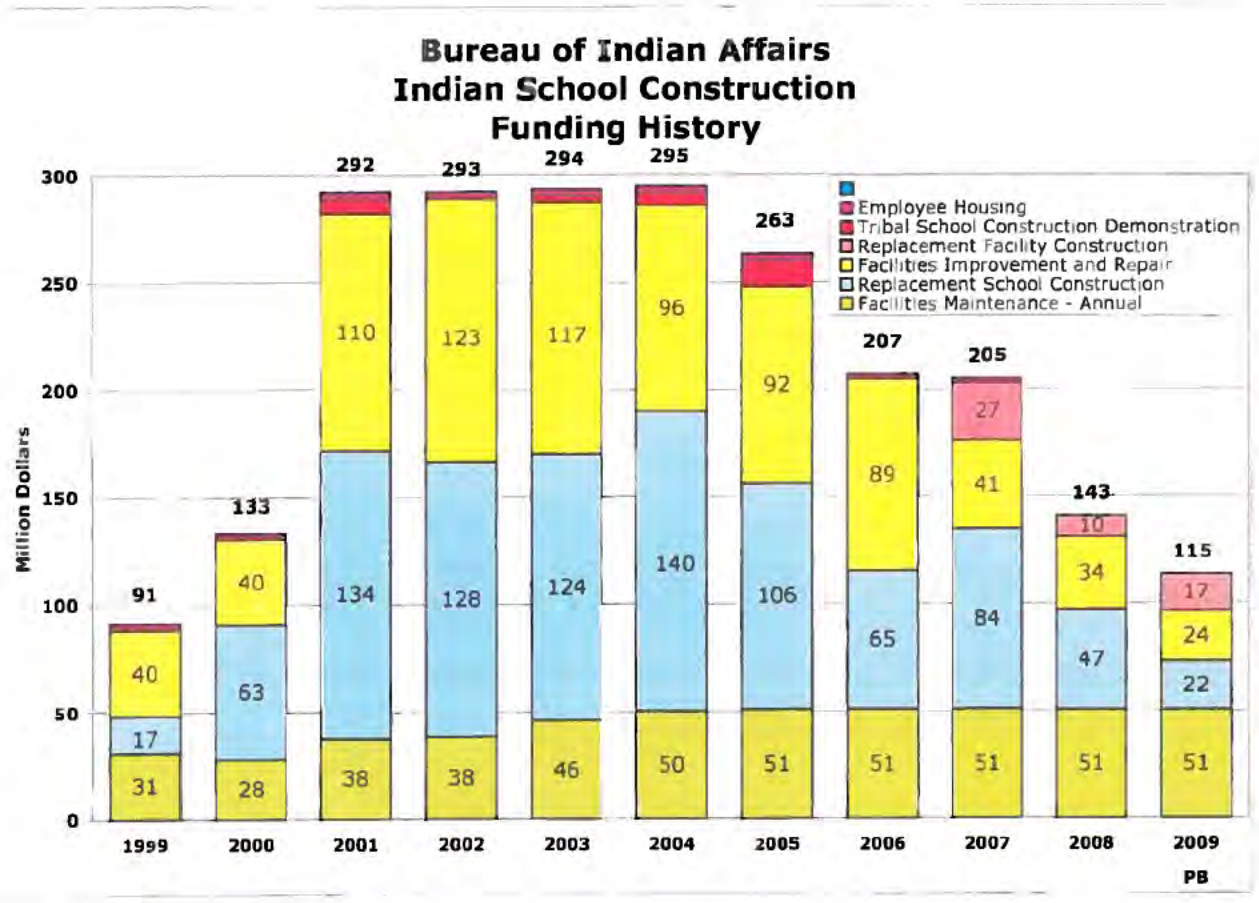


Budget Trends:

- In the 1990s, funding for the BIA's education construction program averaged $50 million per year.

- In fiscal year 2000, funding increased substantially to $133.2 million followed by another increase in fiscal year 2001 to $292.3 million – a 120 percent increase over fiscal year 2000. Funding held steady at this level until fiscal year 2005, when reductions were made to allow the program to "catch up."

- In fiscal year 2008, the budget decreased again in order to allow time to complete existing school projects before starting new projects. Some projects originally scheduled for 2007 and 2008 were deferred to later years.



INDIAN AFFAIRS
TRIBAL COLLEGES/SCHOLARSHIPS
(dollars in millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008 Enacted	2009 Request	Change from 2008 Enacted
Haskell and SIPI	14.0	14.2	14.7	14.8	14.7	14.6	15.0	15.7	16.0	16.9	0.8
Tribal Colleges and Universities	35.3	38.1	41.1	44.0	49.9	54.4	55.5	54.7	56.8	56.8	0.0
TCU Supplements (TPA)	1.1	1.1	1.1	1.1	1.3	1.3	1.3	4.6	1.3	1.3	0.0
Tribal Technical Colleges*	2.6	3.3	4.2	4.2	4.3	5.2	5.2	2.0	5.9	0.0	-5.9
Scholarships and Adult Education (TPA)	32.4	31.6	31.8	31.8	31.4	30.5	29.9	29.4	29.6	23.7	-5.9
Higher Education Scholarships	1.3	1.3	1.3	1.5	1.5	1.7	2.2	2.2	2.2	2.2	0.0
TOTAL	**86.7**	**89.7**	**94.3**	**97.5**	**103.1**	**107.7**	**109.2**	**108.6**	**111.7**	**100.8**	**-11.0**
FTE	0	0	0	0	0	0	0	0	0	0	0

* The Tribal Technical Colleges line-item was created in 2007. Before 2007, this funding was not included in the total. This activity provides funding for UTTC and NTC.

Key Points:

- **The 2009 budget request for Post-Secondary Programs in the Bureau of Indian Education is $100.8 million, including $16.9 million for Haskell Indian Nations University and Southwestern Indian Polytechnic Institute, $58.1 million for Tribal Colleges & Universities, $25.9 million for Scholarships, and zero for Technical Colleges (United Tribes Technical College and Navajo Technical College).**

- **The BIE operates two accredited post-secondary schools. Haskell is located in Lawrence, Kansas, and SIPI in Albuquerque, New Mexico.**

Background:

- BIE provides funding for Tribal Colleges and Universities located on remote reservations which serve American Indian communities with limited access to other post-secondary institutions.

- TCUs provide knowledge and skills students need to secure professional employment or transfer to four-year colleges and universities.

- In 2008, BIA administered operating grants to 25 TCUs which met statutory requirements for Federal funding under the Tribal Colleges and Universities Act. The number of grants is expected to increase to 26 in 2009.

- Tribes may choose to direct Tribal Priority Allocation funds to provide scholarships for post-secondary education. These scholarship grants are awarded by Tribes to provide financial aid to eligible American Indians and Alaska Native students attending accredited post-secondary institutions.

- BIA funding has also provided technical assistance, endowment grants, and other supplemental funding to these schools which, for the most part, have only been in existence since the late 1970s.

- Additional sources for Federal funding for TCUs include:
  - The Department of Education provides Pell grants for student tuition and other grants.

  - The Department of Labor administers the $125 million Community-Based Job Training grants program which provides grants to community colleges for training programs developed in conjunction with workforce, education, employer, and other partners.

Trends:

- The Indian Student Count increased by 20 percent from 2000 to 2008, from 8,984 to 10,758.

- Per student funding for Title I schools was $3,491 in 2000 compared to $5,235 in 2008.

- Funding in 2009 will provide $5,000 per student at Title I TCUs.

Budget Trends:

- From 2000 to 2008, funding for TCU operating grants increased by 62 percent from $35.3 million in 2000 to $56.8 million in FY 2008.

Navajo Technical College (formerly Crownpoint Institute of Technology) and United Tribes Technical College:

- Public Law 110-315, the Higher Education Opportunity Act, which was enacted on August 14, 2008 authorizes and directs the Secretary to provide assistance to UTTC and NTC.

- NTC, with an Indian student count of about 400 students, based on latest available data, is located on the Navajo Reservation. NTC educates Navajo students to utilize state-of-the-art technology by offering certificate programs and Associate of Applied Science degrees. It offers a residential program to students.

- UTTC, with an Indian student count of about 590 students, based on latest available data, is a vocational and technical school in North Dakota with residential programs. UTTC offers certificate programs and Associate of Applied Science degrees. UTTC provides its students with work-related education and employment training in modern technologies. It offers a residential program to students. The BIE-funded Theodore Jameson elementary school is located on the UTTC campus.

- Both schools have been the exclusive recipients of Tribally Controlled Postsecondary Career and Technical Education Program grants authorized under section 117 of the Carl D. Perkins Career and Technical Education Act which is administered by Department of Education. The schools received a combined total of $7.5 million under this program in

2008. Distribution of this funding is based on Indian Student Count (ISC). The Department of Education did not request funding for Carl Perkins Grants in 2009.

- In fiscal year 2008 these institutions received funding through an earmark. Public Law 110-315, modified this method of funding by statutorily directing that the Secretary to provide funding specifically to these two institutions, subject to the availability of appropriations.

- Under the fiscal year 2009 continuing resolution, $5.9 million was released to these institutions.

INDIAN AFFAIRS
SAFE INDIAN COMMUNITIES/BIA LAW ENFORCEMENT
(DOLLARS IN MILLIONS)

	2001	2002	2003	2004	2005	2006	2007	2008	2009 PB	Change from 2008
Criminal Investivations/Police Services	38.0	36.8	35.3	34.6	34.1	34.3	133.3	137.3	138.9	1.6
Detention/Corrections	28.1	33.1	37.1	48.5	55.6	55.8	49.7	64.0	64.6	0.6
Inspections/Internal Affairs	1.2	1.2	1.2	1.2	1.2	2.5	1.2	3.2	3.2	0.0
Law Enforcement Projects	83.0	87.1	86.3	85.8	86.8	91.1	11.0	13.8	14.3	0.5
Indian Police Academy	2.3	2.4	2.4	2.3	2.3	3.5	3.4	3.6	3.5	-0.1
Tribal Justice Support							1.5	1.5	1.5	0.0
Law Enforcement Program Management						6.1	4.4	4.7	3.5	-1.2
BIA Social Workers									1.5	1.5
TOTAL Safe Indian Communities	152.6	160.6	162.3	172.5	180.1	193.4	204.5	228.1	231.0	2.9
Tribal Courts IIM		1.8	5.3	5.3	5.3	5.3	0.0	0.0	0.0	0.0
Tribal Courts	11.3	11.3	11.7	12.6	12.4	12.3	12.0	14.3	12.0	-2.3
Fire protection	1.4	1.4	1.4	1.2	1.2	1.1	1.1	1.2	1.2	0.0
TOTAL Public Safety and Justice	165.3	175.1	180.7	191.7	199.0	212.2	217.6	243.6	244.2	3.5

Key Points:

- **The Safe Indian Communities initiative provided increases beginning in 2008 and 2009 to combat the production and distribution of methamphetamine by organized crime and drug cartels, to address related effects including drug abuse, child neglect and abuse, and increase staffing for detention centers.**

- **Tribal leaders have identified methamphetamine as the single most critical issue facing Indian communities, with leaders suggesting that an entire generation of young people may be lost to this one drug.**

- **Other programs funded through Public Safety and Justice include Tribal Courts, community fire protection, and an Indian Police Academy located in Artesia, New Mexico.**

Background:

- In recent years violent crime in Indian began to reach crisis levels, with a rate for violent crime that is twice the national average. Methamphetamine is a major underlying cause of this crisis and is estimated by the Federal Bureau of Investigation to be the cause of up to fifty percent of violent crime in Indian country.

- The Office of National Drug Control Policy and the Drug Enforcement Agency estimate that over 80 percent of methamphetamine is now smuggled into the United States from Mexico by drug trafficking organizations that have specifically targeted Indian country for exploitation due to its vulnerable population and limited law enforcement capacity.

- Sixty percent of BIA law enforcement agencies have reported increased methamphetamine arrests over the past year. They have also reported a 64 percent increase in domestic violence and assault/battery, and a 48 percent increase in child abuse and neglect due to methamphetamine.

- Department of Justice data indicate that staffing levels in Indian Country are significantly below other rural law enforcement programs, with 1.3 officers in Indian Country for every 1,000 inhabitants as compared to 2.9 officers in non-Indian jurisdictions. As an example, on the Black Feet reservation, two police officers may cover as much as 2,400 square miles during one shift, including seven communities and two U.S. ports of entry.

- The Ute Mountain Ute Reservation has a homicide rate nearly fifty times the national average.

- A 2006 analysis of the staffing in Indian Country identified a need for an additional 1,854 law enforcement officers when using a 3.3 to 1,000 ratio of officers to population, the optimal rate for rural areas. OJS officers sometimes handle numerous violent calls by themselves and often work excessive shifts, which increases the danger to the officer and to the communities they serve and protect.

FY 2008

- In 2008 the Department requested $16.0 million for the Safe Indian Communities initiatives, with increased funding for law enforcement officers, detention personnel, specialized drug training, and a methamphetamine public awareness campaign. Congress fully funded the request, and added an additional $7.6 million for methamphetamine related activities.

- The Department provided information on the allocation of funds to Congress to demonstrate that funds were allocated to address crime and staffing needs.

FY 2009

Criminal Investigations, Police Services & Law Enforcement Projects:

- The 2009 budget request for Criminal Investigations, Police Services and Law Enforcement Projects is $164.9 million, an increase of $815,000 over the 2008 enacted budget. This increase includes fixed costs.

- Currently the Office of Justice Services has only 11 certified drug enforcement officers to service all of Indian country. With a budget increase of $6.3 million more officers on patrol will have the essential knowledge and tools to break up drug trafficking, disrupt the activities of organized crime groups and international cartels, and seize illegal substances. In 2008 BIA will train 100 police officers and criminal investigators to become certified drug enforcement officers; and BIA projects an additional 200 officers will be trained in 2009. Increased tribal law enforcement activity will lessen the pressure placed on local city and county law enforcement and allow for better coordination between tribal and non-tribal law enforcement agencies.

- Additionally, these funds will allow for a more robust methamphetamine public awareness campaign to educate the at-risk American Indians about the dangers of methamphetamine and its affects on both physical and mental health. The education campaign will utilize the highly successful "mobile meth labs" to alert communities to the warning signs of clandestine drug labs and the environmental dangers associated with these toxic environments; and leverage existing partnerships between the Bureau of Indian Affairs, the Office of National Drug Control Policy, the Department of Health and Human Services, the National Congress of American Indians, and the Partnership for a Drug Free America that are currently working to develop an Indian country specific methamphetamine public awareness campaign.

Detentions/Correction:

- The FY 2009 budget request for Detention and Corrections is $64.6 million, an increase of $625,000 over the FY 2008. The increase includes fixed costs.

- Increased funding is essential to address staffing needs for newly constructed detention facilities, as well as existing facilities within the corrections program. In FY 2004, the Office of Inspector General (OIG) reported on material weaknesses in the Bureau's detention facilities program that included twenty-five recommendations for improvement. Of the twenty-five recommendations, OJS has addressed sixteen; progress on the remaining nine has been stalled due to inadequate resources. One of the nine recommendations which require more resources to fully address is to increase staffing levels and ensure that staff at BIA and tribal detention centers are properly trained.

- The proposed funding increase will allow the Division of Corrections to staff its detention centers to safe and secure levels in line with National Institute of Corrections (NIC) guidelines, a total of 1,838 positions. The Division of Corrections currently has 1,323 authorized detention personnel, and will authorize an additional 146 in 2009, for a total staffing level of 1,469.

Reductions

- The FY 2009 budget includes a $1.2 million reduction for program management, in order to fund higher priority programs within the law enforcement budget.

INDIAN AFFAIRS
DETENTION CENTER CONSTRUCTION

Key Points:

- **In 2008 report language Congress directed the BIA to "in partnership with DOJ, develop a plan for the replacement and construction of deteriorated detention centers, including recommendations on the location of those facilities by March 30, 2008."**

- **The Department does not currently have a program to construct new detention centers. There is $14.4 million in the Indian Affairs budget for maintenance and repair of existing facilities.**

- **The Department of Justice has a grant program for construction facilities in Indian country. In 2008 they processed 8 grant application for FI&R projects and 17 for detention center construction planning. However, these grants were not issued in coordination with Indian Affairs.**

Background:

- In 2004 the IG reported on the deteriorating conditions of Detention centers in Indian country. BIA developed a corrective action plan to address deferred maintenance needs.

- The preparation of the corrective action plan shed light on the bigger issues in Indian detention, specifically:
  - Need for additional capacity.
  - Need for detention facilities built specifically for that purpose.
  - Need to locate facilities to meet demand.
  - Need to for efficient detention facilities design.
  - Need for detention centers to work in concert with law enforcement and tribal court facilities.

- In 2006, BIA initiated a Master Plan to address the facilities needs of justice programs in Indian Country. However, sufficient issues were identified in the report and it was not endorsed by the Administration. However, elements of the report such as the concept of multiple tiers and standardized design for different tiers of facilities and other contributions deemed of use can be incorporated into the plan ultimately prepared.

- Indian Affairs is currently working on a proposal to coordinate with the Department of Justice on a plan to address the detention centers needs in Indian Country.

INDIAN AFFAIRS
CONTRACT SUPPORT
(DOLLARS IN MILLIONS)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Contract Support	115.0	125.2	125.2	130.2	132.3	133.6	134.4	132.6	143.6	147.3	147.3	0.0

Key Points:

- **The Indian Self-Determination Act requires BIA to provide tribal contractors with contract support costs, which include payment of indirect costs and direct costs.**

- **BIA currently pays approximately 100 percent of indirect contract support costs and two percent of direct contract support costs. By comparison, the Indian Health Service currently pays approximately 76 percent of all contract support costs.**

- **Full funding of direct contract support costs is a top tribal priority, and would require approximately an additional $40 million.**

Discussion:

- The ability of Tribes to contract or compact for BIA operated programs remains a key factor in strengthening Indian self-determination and fostering strong and stable tribal governments.

- Contract support funds pay a wide range of administrative and management costs, including finance, personnel, maintenance, insurance, utilities, audits, communications, and vehicle costs.

- Full funding of contract support costs encourages tribal contracting and promotes progress in achieving Indian self-determination.

- Since 1994 Congress has provided appropriations bill language that caps funding for contract support at the amount specifically appropriated. This cap was enacted in response to a Court of Appeals case that held contract support to be an entitlement because of language in the Indian Self-Determination Act. In response, DOI has been incrementally increasing contract support funding.

Consultation on Indirect Costs

- The Department is currently negotiating with Tribes on the amount of tribal council costs that can be included in the indirect cost pool.

- The Department's National Business Center negotiates these rates and will be

- The Department's National Business Center negotiates these rates and will be undertaking consultation.

- The Tribes do not currently receive funding for the fixed costs of running a government program, such as umemployment and worker's compensation. The Department and the Tribes have agreed that these costs should be funded through direct contract support. This would require approximately $40 million to fully fund.

INDIAN AFFAIRS
LAND AND WATER SETTLEMENTS
(dollars in millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
Water Settlements	27.5	25.1	33.2	48.8	56.6	29.1	21.8	13.7	20.9	15.6	15.4	-0.2
Land Settlements	0.0	0.0	0.0	8.0	3.1	19.9	11.6	9.8	0.3	0.9	0.9	0
Misc Payments	1.4	2.0	4.3	7.1	0.9	10.9	10.7	10.7	20.8	17.1	5.4	-11.7
TOTAL	**28.9**	**27.1**	**37.5**	**63.9**	**60.6**	**59.9**	**44.1**	**34.2**	**42.0**	**33.6**	**21.7**	**-11.9**
FTE	0	0	0	0	0	0	0	0	0	0	0	0

Key Points:

- **The 2009 budget includes $21.7 million for ongoing Indian Land and Water Claim Settlements.**

2009 Settlements
(Dollars in thousands)

	2009 Request
Land Settlements	
White Earth Land Settlement	625
Hoopa-Yurok	250
Water Settlements	
Pyramid Lake Water Rights	142
Nez Perce/Snake River	15,210
Miscellaneous Payments	
Puget Sounds Regional Shellfish	3,000
Pueblo of Isleta	2,400
TOTAL	**21,627**

- **The Department has nineteen teams negotiating Indian water rights claims in the West, and requests from Tribes and States to form additional teams come in on a regular basis.**

- **There are numerous pending settlement bills under active negotiation. If they were enacted in their current form, the Department would face authorizations for billions of dollars for infrastructure construction and other settlement funding.**

- **Based on a policy agreement with OMB and the appropriators, the Department does not fund water settlements until there is enacted legislation.**

Background:

- The Indian Land and Water Settlements account provides payments to meet Federal requirements for negotiated and enacted settlements.

- Under Federal law, Indian tribes have a right to sufficient water to fulfill the purposes of their reservation, and this right is not lost due to non-use. In many over-allocated Western water basins, if the Indians begin using the water to which they have a legal right, existing users would see their water supply curtailed. Therefore, for almost thirty years, Tribes, States, local parties, and the Federal government have preferred settling Indian water rights claims rather than engaging in protracted litigation. Congress has enacted 20 Indian water rights settlements since 1978. Four of these (Soboba, Snake River (Nez Perce), Arizona Water Settlement Act (Gila River Indian Community and Tohono O'odham), and Zuni were passed since 2001.

- With some exceptions, Indian water rights settlements are funded out of discretionary appropriations. However, most of the settlement bills include provisions under which, if funding for the bill is not provided by certain date, the settlement will fail and the Tribe and State parties will resume litigation. In some settlements there are interest penalties. This creates pressure to appropriate funds authorized in the settlement bills.

- The size of some of the settlements under negotiations has established what may be unrealistic expectations among States and Tribes about the amount of funding available from the Department of the Interior for settlements. Typically costs are driven up by the inclusion of significant water infrastructure projects to benefit Indians and non-Indians alike and large trust funds for tribes to use to promote development on their reservations.

2009 Budget Request:

- The White Earth Reservation Land Settlement funds are used to investigate and verify questionable transfers of land by which individual Indian allottees or their heirs were divested of ownership, and to achieve the payment of compensation to allottees or heirs, in accordance with the *Public Law 99-264*.

- Funds for the Hoopa-Yurok settlement are used to fulfill the Federal government's responsibility under *Public Law 100-580*, the Hoopa-Yurok Settlement Act.

- The budget continues the provision of funds to the Truckee-Carson Irrigation District for water rights service and for documentation of the Truckee River Operating Agreement and for Federal Water Master costs in preparing for its implementation. Most of these funds are used to cover Federal costs in preparing the Truckee River Operating Agreement (TROA).

- The budget includes $15.2 million to continue funding BIA's share of this settlement to the Nez Perce Water and Fisheries Fund, Nez Perce Tribe Habitat Accounts, and Nez Perce Domestic Water Supply Fund. The payment in FY 2009 will be the third of seven required payments to meet BIA's requirements totaling $95.8 million over seven years.

- The request includes $3.0 million to continue funding the $20 million Federal share of a $31 million agreement between the Bureau of Indian Affairs, Western Washington Treaty Tribes, the Puget Sound Commercial Shellfish Growers and the State of Washington regarding the Tribes' treaty rights to naturally occurring shellfish on the growers' property. The shellfish

beds at issue are on tidelands that were sold to the growers by the State of Washington without the buyers having been notified of a treaty encumbrance.

- The budget request includes $2.4 million to continue the funding for the Isleta Pueblo Claims Settlement. Under the terms of the agreement, use of the settlement funds is limited to the acquisition, improvement, restoration, and rehabilitation of Pueblo lands and natural resources, and may not be used for per capita payments.

- Congress has authorized a settlement fund for the Soboba Band of Luseno Indians in the amount of $5.5 million for each fiscal years 2010 and 2011.

Trends:

- At the end of the 110th Congress, 10 pending settlements had legislation moving or were expected to introduce legislation shortly: *Aamodt* (Pueblo of Nambe, Pojoaque, San Il defonso, and Tesuque) (S. 3381), *Taos* (Pueblo of Taos) (S. 3381), *Navajo-San Juan* (Navajo Nation and Jicarilla Apache Nation) (S. 1171 and S. 3213), *Tule River Indian Tribe*, *Fort Belknap* (Gros Ventre and Assiniboine Tribes), *Blackfeet Nation*, *Crow* (S. 3355), *Duck Valley* (HR 5293), *White Mountain Apache* (S. 3473), and *Little Colorado River* (Navajo-Hopi). The Department testified against *Aamodt*, *Taos*, *Navajo-San Juan*, *Crow*, and *Duck Valley* on the grounds that, in addition to technical problems, the cost of the settlements exceeded the amounts that the Administration could support under Federal guidelines for the settlement of Indian water rights claims.

- The average annual appropriation for land and water settlements over the last ten years has been $41.2 million.

Settlements. The enacted level funds Indian Land and Water settlements at $33.5 million. While the account is subject to the same across the board rescission as all other accounts, the bill provides the Secretary discretion in the distribution of the funding so that settlements that are required to be funded by a certain year can be funded in full within the allotted time. This year, the ATB was applied to the Nez Perce payment because the proposed payment schedule for that settlement extends for several more years.

INDIAN AFFAIRS
TRUST OPERATIONS
(Dollars in millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Change from 2008
Probate (TPA)	0.0	4.5	6.1	7.6	7.6	11.4	7.8	8.0	8.9	13.0	4.1
Probate Backlog	0.0	0.0	0.0	0.0	0.0	0.0	7.9	7.9	10.7	7.4	-3.3
Real Estate Services	24.6	34.8	37.3	41.3	41.0	41.0	40.6	43.5	47.2	48.1	0.9
Land Title & Records Office	3.3	10.1	11.5	12.1	12.1	11.9	13.4	13.6	14.4	14.7	0.3
Mining and Minerals	4.1	4.2	4.7	5.3	8.3	8.2	8.2	9.0	10.0	10.1	0.1
Land Records Improvements	3.8	2.6	2.6	2.6	2.6	8.0	7.9	7.9	15.8	15.7	-0.2
Trust & Real Estate Services	4.1	11.5	11.7	17.4	14.0	23.1	24.4	25.1	15.4	15.2	-0.2
Total	**39.9**	**67.7**	**73.9**	**86.3**	**85.6**	**103.6**	**110.2**	**115.0**	**122.4**	**124.1**	**1.7**

Key Points:

- **From FY 2001-FY 2008, funding for key BIA trust reform projects including probate; reorganization of field staff; trust systems; and land title operations has increased 181 percent, a $54.7 million increase from $67.7 million to $122.4 million.**

- **These increases have provided for additional deputy regional directors for trust, deputy agency superintendents for trust, and probate staff. Increases have also been provided for new IT systems to support these activities.**

Background:

- The Department has responsibility for the largest land trust in the world. The Indian trust encompasses approximately 56 million acres of land. Over ten million acres belong to individual Indians and nearly 45 million acres are held in trust for Indian Tribes

- Leasing, use permits, sales revenues, and interest is collected for 370,000 open individual Indian money accounts and 1,800 tribal accounts. In addition, the trust manages approximately $2.9 billion in tribal funds and $400 million in individual Indian funds.

- Key trust reform efforts that are cornerstones to providing services to beneficiaries, historical accounting and land consolidation efforts are: modernizing the trust business process; bringing probate data current; maintaining accurate title data; and establishing a viable trained trust organization that is beneficiary centered, and utilizing modern fiduciary trust business practices.

- The Interior Department has developed a comprehensive and systematic plan to reform the management of its trust responsibilities, the Fiduciary Trust Model. The status of the implementation of the FTM has been described in the reports provided to the U.S. District Court in *Cobell v. Kempthorne*. The FTM includes a guide to improve delivery of fiduciary trust services, effectiveness, and accountability of trust operations; and the re-engineering of Interior's fiduciary trust business processes and systems to ensure that the Department meets its fiduciary trust goals and objectives.

- The primary concept of the FTM, working in partnership with the beneficiaries, is to improve the business processes for the delivery of services to tribal and individual Indian beneficiaries by standardizing, streamlining, and automating these processes and services. Examples of progress to date on the FTM include:
    - Developed a nationwide toll-free information call center to answer beneficiary questions.
    - Distributed more than $79 million to individual Indian trust account holders who were previously on the "Whereabouts Unknown" list through collaborative efforts between the OST, BIA, and tribal governments.
    - Collected, safeguarded, and protected more than 400-million pages of Indian trust documents for future use at the state-of-the-art American Indian Records Repository, in Lenexa, Kansas.
    - Restored the equivalent of more than 350,000 acres of land to Tribes through the Indian Land Consolidation Office purchase program to reduce fractionated ownership of land.
    - Provided fiduciary trust training to over 3,000 Interior and tribal employees working in trust matters and provided records management training to more than 500 BIA and OST records contacts and 381 tribal employees.

Probate. The preparation of an estimated 7,000 probate cases a year for decision by either Administrative Law Judges, Indian Probate Judges, Attorney Decision Makers, or BIA Regional Directors over the next few years is critical to providing accurate, and timely payments to beneficiaries. Ongoing efforts to address this problem have included the addition of field level staff in BIA agency offices; hiring of contract staff to assist in case preparation and processing; reorganization and consolidation of both BIA and OHA probate staff; and development of a Probate Case Tracking System to provide accurate, current data on the status of all cases in BIA, OHA, or OST.

Major Budget Trends:

- Congress has fully supported requested one time adjustments and additional funding in various trust reform programs.

- From FY 2001-FY 2007, funding for key BIA trust reform projects including probate; reorganization of field staff; trust systems; and land title operations has increased 181 percent, a $54.7 million increase from $67.7 million to $122.4 million. These increases have provided for additional deputy regional directors for trust, deputy agency superintendents for trust, and probate staff. Increases have also been provided for new IT systems to support these activities.

DEPARTMENT OF THE INTERIOR
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OFFICE OF THE SPECIAL TRUSTEE
BUREAU OVERVIEW
(dollars in millions)

Special Trustee	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	222.8	223.3	189.3	189.3	181.6	-7.7
Permanent	131.5	220.4	227.4	241.5	241.5	14.2
Total	354.3	443.7	416.7	430.9	423.2	6.5
FTE	607	629	626	626	669	43.0

Bureau Profile

- The Office of the Special Trustee for American Indians provides fiduciary guidance, management, and leadership for both tribal trust accounts and Individual Indian Money accounts.

- The OST manages over $3.3 billion of funds held in over 1,800 trust accounts for more than 250 Indian Tribes, and over 370,000 open Individual Indian Money accounts. The balances that have accumulated in the trust funds have resulted generally from judgment awards, settlement of claims, land-use agreements, royalties on natural resource use, other proceeds derived directly from trust resources, and financial investment income.

- From 1996 through 2008, the Department will have invested $4.4 billion in the management, reform, and improvement of Indian trust programs.

- For 12 years, Interior has been engaged in a class-action lawsuit, *Cobell v. Kempthorne*, over the American Indian Trust Reform Act of 1994 requirement to perform an accounting of trust funds. In August U.S. District Court Judge James Robertson issued a decision in the Cobell lawsuit rejecting the plaintiffs' theory that the government owes them $47 billion, and instead awarded the plaintiffs $455,000. The plaintiffs appealed the decision. The Court's ruling did not exonerate Interior of its historical accounting responsibilities.

- The Department is also involved in over 100 lawsuits filed by or on behalf of Tribes, including one suit in Federal District Court with 12 named Tribes who are seeking class action status on behalf of 250 more Tribes.

- The Department of the Interior has responsibility for what may be the largest land trust in the world. The Indian trust today encompasses approximately 56 million acres of land – over ten million acres belonging to individual Indians and nearly 46 million acres owned by Indian tribes.

- OST was established in 1996 to provide fiduciary guidance, management, and leadership for both tribal trust accounts and Individual Indian Monies accounts. OST oversees and coordinates Departmental efforts to ensure establishment of consistent policies, procedures, systems, and practices throughout Interior. OST has operating responsibility for financial trust fund management; including investment, receipt, and disbursement of Indian trust funds.

- The Special Trustee has authority over and responsibility to manage Tribal trust funds and Individual Indian Monies (IIM) accounts for Indian Tribes and individual American Indians.

- The Bureau of Land Management, Minerals Management Service, Bureau of Indian Affairs, Office of Hearings and Appeals, and Office of Historical Trust Accounting carry out additional trust functions of the Department.

Legislative Issues

- The Department's ongoing efforts to implement trust reform and improve services to beneficiaries include reviewing and revising trust regulations and submitting legislative proposals to Congress.

- In FY 2009, as part of FTM implementation, the Department expects to have promulgated new regulations and have Congress adopt recommended legislative changes. The regulations and legislative proposals are being developed to implement the FTM, comply with requirements of the American Indian Probate Reform Act, and streamline trust business processes as well as address needed technical corrections and administrative improvements for implementing trust reform, which will continue to improve services to Indian trust beneficiaries.

Strategic Plan

- Strategic goals for Indian Affairs are within the Strategic Plan quadrant Serving Communities. Goals for OST programs include:

    - Beneficiary services that are trusted, accurate, and responsive;
    - Tribal self-governance and self-determination that increases participation in managing assets;
    - Ownership information that is accurate, timely, and reliable;
    - Trust fund assets management that meets fiduciary standards; and
    - Land and natural resources management that maximize return.

Current Issues

- On May 31, 2007, the Department released the 2007 Historical Accounting Plan for Individual Indian Money accounts. The 2007 plan reflects what has been learned in four years of historical accounting. The Department's accounting plan includes the provision of historical accountings for about 364,500 IIM accounts open on or after October 25, 1994, that had balances. Implementation of the plan is estimated to cost $271 million. In part, the plan calls for the reconciliation of select receipt and disbursement transactions to develop assurances of the accuracy of the historical statements of account to be delivered to the

account holders. Such statements include transaction by transaction listings with such pertinent information as transaction dates, transaction amount, and beginning and ending balances.

- The Interior Department has developed a comprehensive and systematic plan to reform the management of its trust responsibilities, the Fiduciary Trust Model. The status of the implementation of the FTM has been described in the reports provided to the U.S. District Court in *Cobell v. Kempthorne*. The FTM includes a guide to improve delivery of fiduciary trust services, effectiveness, and accountability of trust operations; and the re-engineering of Interior's fiduciary trust business processes and systems to ensure that the Department meets its fiduciary trust goals and objectives.

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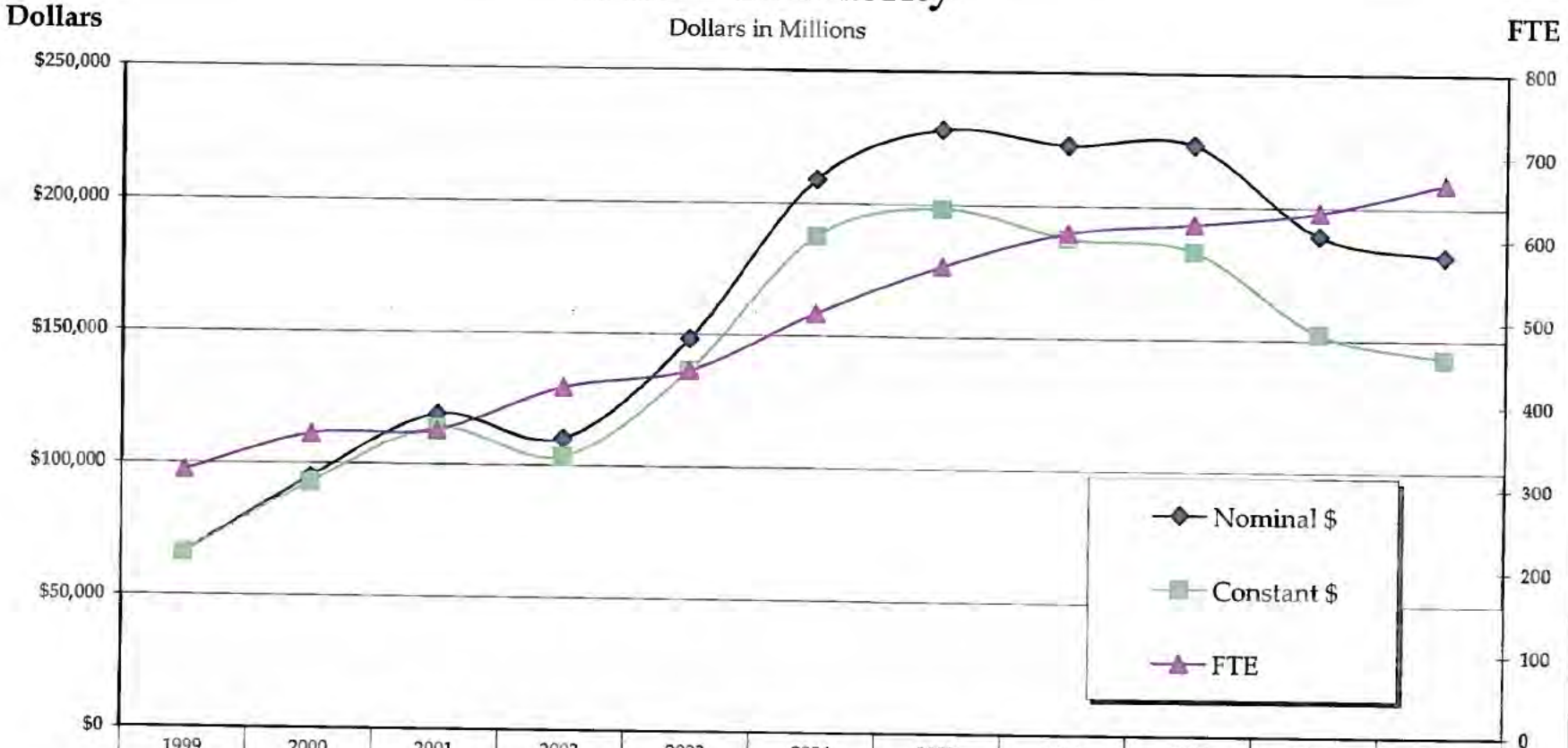
  - Collected, safeguarded, and protected more than 400-million pages of Indian trust documents for future use at the state-of-the-art American Indian Records Repository, in Lenexa, Kansas.
  - Restored the equivalent of more than 350,000 acres of land to Tribes through the Indian Land Consolidation Office purchase program to reduce fractionated ownership of land.

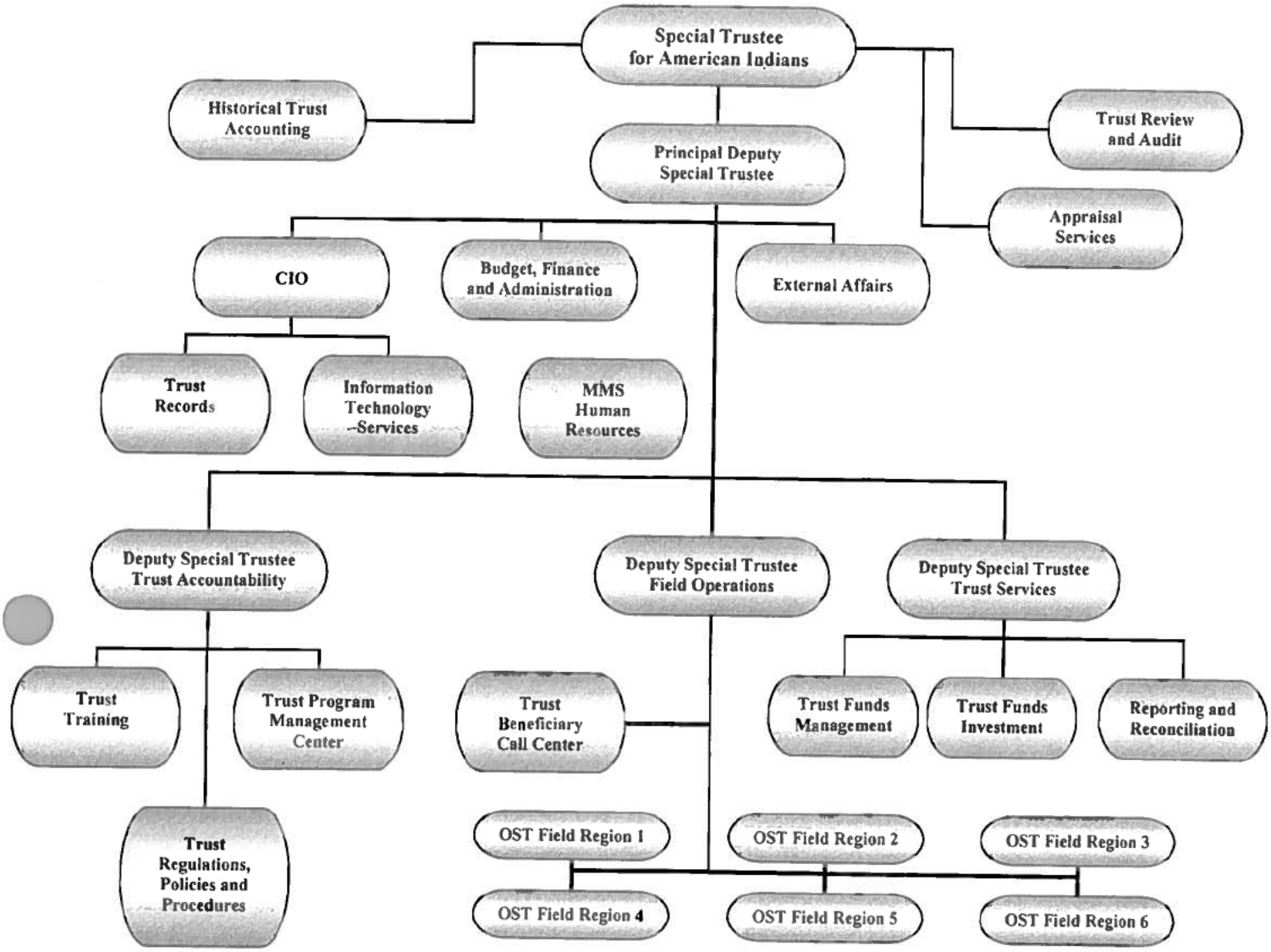
Office of the Special Trustee
Current Authority

Dollars in Millions



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	66,179	95,025	118,965	110,151	148,287	209,013	228,054	222,780	223,257	189,331	181,648
Constant $	66,179	93,144	113,921	103,499	136,569	187,614	198,348	187,554	183,050	152,291	143,220
FTE	312	357	362	415	437	507	565	607	619	634	669

Office of the Special Trustee for American Indians



Summary of Bureau Appropriations
(all dollars amounts in thousands)

Comparison of 2009 Request with 2008 Enacted

	2008 Enacted		2009 Request		Change from 2008	
	FTE	Amount	FTE	Amount	FTE	Amount
Appropriations						
Office of the Special Trustee for American Indians	634	179,487	669	181,648	+35	+2,161
Indian Land Consilidation	0	9,844	0	0	0	-9,844
Subtotal, Appropriations	634	189,331	669	181,648	+35	-7,683
Permanents and Other						
Tribal Special Funds	0	180,678	0	189,423	0	+8,745
Tribal Trust Fund	0	46,695	0	52,100	0	+5,405
Subtotal, Appropriations	0	227,373	0	241,523	0	+14,150
Total, Office of the Special Trustee for American Indians	**634**	**416,704**	**669**	**423,171**	**+35**	**+6,467**

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
BUDGET OVERVIEW

Major Budget Trends:

- The OST budget has increased by $123.2 million or 186 percent over the last ten years in nominal dollars. In constant dollars this is an increase of 130 percent. Staffing measured in FTE has increased by 103 percent.

- Since it's inception in 1996 the OST budget has increased by over one thousand percent, or $173 million, and funding for Indian trust programs within BIA, including resource management, has increased by 230 percent in nominal dollars. By comparison, Non-trust Indian programs have increased by 23 percent over that same period, and the overall DOI budget has increased by 36 percent since 1998.

- Congress has fully funded requests for OST and trust reform activities over the past several years, with the exception of historical trust accounting in 2004, 2005, 2006, and 2008. Congress did not fully fund the Administration's request for Historical Accounting in those years.

- Although the Court awarded the plaintiffs $455,000 in August, the judge did not relieve Interior of its Historical Accounting responsibilities, and the decision has been appealed by the plaintiffs. Based on the ruling of the court and the current status of the case, Interior continues to fund the 2007 Historical Accounting Plan for Individual Indian Money accounts.

2008 Enacted:

- With the exception of Historical Accounting Congress fully funded the OST request, accepting all proposed decreases and increases. Congress did not accept the proposed $3.6 million increase for Historical Accounting and funded it at the 2007 enacted level.

2009 Budget:

- The budget funds the Office of the Special Trustee at $181.6 million, a $7.7 million decrease compared to the 2008 enacted level.

- Funding for the Indian Land Consolidation program is terminated in 2009. See separate paper.

- The budget for OST includes a request for the Office of Historical Trust Accounting of $56.4 million, an increase of $941,000 over 2008.

- OST is showing an increase of 35 FTE as a result of OHTA employees now being counted as OST employees. They were previously counted in the Office of the Secretary.

- The budget includes program increases of $1.7 million for probate backlog clean up, $815,000 for trust beneficiary services, and $936,000 for other trust reform projects.

- The budget includes program decreases of $3.3 million for the completion of certain trust reform efforts. These include reductions for the Office of Trust Records ($1.0 million), Office of Trust Review and Audit ($500,000), Trust Training($1.0 million), Reengineering ($250,000), and Field Operations ($500,000).

- The 2009 budget includes a decrease of $530,000 to reduce travel and relocation expenses.

- Fixed costs total $2.1 million, of which $1.7 million are budgeted and $363,000 are absorbed.

FY 2009 UNIFIED TRUST BUDGET
(in thousands of dollars)

Program	FY 2007 Enacted	FY 2008 Enacted	Total Changes	2009 PB
Beneficiary Services & Ownership Information				
BIA Trust Services General (TPA)	9,724	10,476	606	11,082
BIA Probate (TPA)	8,002	8,861	4,091	12,952
BIA Probate backlog	7,882	10,712	-3,330	7,382
BIA Land Titles & Records	13,552	14,425	322	14,747
BIA General Program (TPA)	30,679	32,960	868	33,828
BIA Reservation Projects	12,831	14,256	56	14,312
BIA Real Estate Services	43,510	47,216	924	48,140
BIA Land Records Improvement Central	5,884	13,811	-163	13,648
BIA Land Records Improvement Regional	2,013	2,003	8	2,011
BIA Land Records Improvement	7,897	15,814	-155	15,659
BIA General Program (TPA)	2,410	2,502	145	2,647
BIA Envir. Quality Projects	9,513	8,552	402	8,954
BIA Environmental Quality	11,923	11,054	547	11,601
BIA Central Office Real Estate Services	13,180	4,297	-249	4,048
BIA Central Office Oversight Trust & Real Estate Serv.	13,180	4,297	-249	4,048
BIA Regional Office Real Estate Services	11,969	11,058	56	11,114
BIA Regional Oversight Trust-Real Estate Serv.	11,969	11,058	56	11,114
BIA Trust-Real Estate Services Oversight	25,149	15,355	-193	15,162
OST Indian Land Consolidation	34,006	9,844	-9,844	0
OST TMPC- Probate Cleanup	9,537	8,247	1,659	9,906
Total Beneficiary Services & Ownership Information	**171,182**	**152,004**	**-5,373**	**146,631**
Land & Natural Resource Assets				
BIA Real Estate Appraisals (TPA)				
BIA Central Office Real Estate Appraisals				
BIA Natural Resources (TPA)	8,104	4,267	187	4,454
BIA Endangered Species	219	1,228	-978	250
BIA Indian Integ. Res. Info Prog	1,250	1,230	900	2,130
BIA General Program (TPA)	22,253	23,000	342	23,342
BIA Noxious Weed Eradication	983	1,015	6	1,021
BIA Agriculture & Range	23,236	24,015	348	24,363
BIA General Program (TPA)	23,981	25,193	381	25,574
BIA Forestry Projects	18,478	17,535	94	17,629
BIA Forestry	42,459	42,728	475	43,203
BIA Water Resources General Program (TPA)	4,103	4,176	39	4,215
BIA General Program (TPA)	4,875	4,902	78	4,980
BIA Fish Wildlife & Parks Projects	1,794	1,586	3	1,589
BIA Fish Wildlife & Parks	6,669	6,488	81	6,569
BIA General Program (TPA)	2,923	3,098	76	3,174
BIA Mineral & Mining Projects	6,034	6,932	1	6,933
BIA Mining & Minerals Oversight	1,250	1,466	901	2,367
BIA Mineral & Mining	8,957	10,030	77	10,107
BIA Central Office Oversight Resources Mgmt.	2,165	2,210	12	2,222
BIA Regional Oversight Resources Mgmt.	5,342	5,488	-1,156	4,332
BIA Resources Mgmt. Program Oversight	7,507	7,698	-1,144	6,554
Total Land & Natural Resource Assets	**103,754**	**103,326**	**886**	**104,212**
Trust Fund Assets				
OST Trust Services	10,509	10,388	1,634	12,022
OST Field Operations	33,653	32,345	-130	32,215
Total Trust Fund Assets	**44,162**	**42,733**	**1,504**	**44,237**
Administrative Services				
DOI Trust Organization				
OST Executive Direction	2,132	2,156	7	2,163
OST Budget Finance & Adm	12,749	12,856	305	13,161
OST External Affairs	737	1,247	-6	1,241
OST Trust Review & Audit	5,849	5,194	-499	4,695
OST Trust Accountability-Trust Regulations	1,464	1,481	110	1,591
OST Trust Accountability-TPMC Data Projects	7,009	3,970	508	4,478
Total DOI Trust Organization	**29,940**	**27,888**	**425**	**28,313**

Program	FY 2007 Enacted	FY 2008 Enacted	Total Changes	2009 PB
Historical Accounting				
OHTA	56,384	55,504	941	56,445
Historical Accounting	**56,384**	**55,504**	**941**	**56,445**
Human Resources				
OST Trust Accountability-Training	4,509	3,080	-1,017	2,063
Human Resources	**4,509**	**3,080**	**-1,017**	**2,063**
Information Technology				
OST - CIO IT Services	20,305	20,124	508	20,632
BIA Information Technology	53,199	52,866	6,869	59,735
Total Information Technology	**73,504**	**72,990**	**7,377**	**80,367**
Business Practices				
OST TPMC- Re-Engineering	4,435	3,216	-805	2,411
OST TPMC- Risk Management	1,521	651	-36	615
Business Practices	**5,956**	**3,867**	**-841**	**3,026**
Records Management				
OST CIO -Trust Records	18,458	18,044	-1,018	17,026
Records Management	**18,458**	**18,044**	**-1,018**	**17,026**
Total Administrative Services	**188,751**	**181,373**	**5,867**	**187,240**
Unified Budget	**507,849**	**479,436**	**2,884**	**482,320**

Numbers may not add due to rounding.

Unified Trust Summary	FY 2007 Enacted	FY 2008 Enacted	Total Changes	2009 PB
BIA - OIP Programs	284,592	290,105	10,567	300,672
OST-Land Consolidation	34,006	9,844	-9,844	0
OST Federal Trust Programs	189,251	179,487	2,161	181,648
TOTAL	**507,849**	**479,436**	**2,884**	**482,320**

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
INDIAN LAND CONSOLIDATION
(DOLLARS IN MILLIONS)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change From 2008 Enacted
$	5.0	5.0	9.0	11.2	7.9	21.7	34.5	34.0	34.0	9.8	0.0	-9.8

Note: The Indian Land Consolidation Program was first funded under BIA in FY 1999 and moved to OST in FY 2000.

Key Points:

- **No funding was requested for Indian Land Consolidation for FY 2009, a decrease of $9.8 million below the 2008 enacted budget.**

- **Reducing fractionation remains a priority, and a task force has been created to explore other options for addressing this problem.**

Background:

- One of the greatest challenges facing successful fiduciary trust management is the fractionation, or continuing subdivision, of individual Indian interests in the land that the Federal government holds in trust. Because individual Indian trust lands are subject to a permanent restriction against alienation, they are primarily transferred through inheritance. With each successive generation, individual interests in the land become further divided and subdivided among heirs, each of whom holds a smaller and smaller interest in the land. The ownership of many disparate, uneconomic, and small interests benefits no one in Indian Country and creates an administrative burden that drains resources away from other Indian programs.

- Managing all of these fractionated individual interests is expensive. Individual owners often see little benefit because their interests are so small. Most often it is difficult, if not impossible, to put the land to its best economic use because there are so many ownership interest involved.

- As the number of ownership interests grows, the cost to the Federal government for accounting and managing those interests also grows. In many cases, the cost to account for and probate highly fractionated tracts far exceeds either the revenue or the value of the underlying property.

- The Department has demonstrated success over the past several years acquiring these highly fractionated interests through the Indian Land Consolidation program. ILCP acquires small ownership interests in allotted land from willing sellers.

- Through September 30, 2007, Interior has acquired a cumulative total of 361,409 interests.

- The program focused on purchasing the most highly fractionated tracts consisting of 1,523 tracts having 510,118 individual interests located in 5 BIA regions. This strategy ultimately decreased the average cost per interest which allowed more interests to be acquired. In FY 2007, 99,840 interests were purchased, nearly 30 percent more than FY 2006 acquisitions.

Major Budget Trends:

- Although funding for the Land Consolidation program is requested through the OST budget, the program is managed by BIA.

- The Land Consolidation program began as a pilot effort funded at $5.0 million under BIA in 1999. In 2000, the pilot was formalized into a program. Funding for land consolidation has continued and program expansion of land acquisition activities began in 2004. Congress has funded the program since 1999.

2008 Enacted

- Congress funded the Indian Land Consolidation program at $9.8 million, the level requested in the President's Budget. This was a $25.2 million decrease from the 2007 enacted level.

2009 Budget:

- In 2009 the Department did not request funding for the Indian Land Consolidation program. The budget was reduced by $9.8 million. The program was no longer cost effective to operate, and only had a minimal benefit to Indian County at the 2008 funding level.

- The Department remains committed to focusing on the critical issue of fractionation, and is currently exploring other options for Indian land consolidation. A working group has been created to explore viable options and develop a strategy that will be beneficial to both Individual Indian land owners and Tribes. Also, many tribes are also purchasing interests directly from individual Indian landowners which will help ease fractionation.

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
HISTORICAL TRUST ACCOUNTING
(dollars in millions)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change From 2008
$	0.0	10.0	8.5	14.9**	44.4	57.2	56.4	21.4	55.5	56.4	+0.9

Note: FTEs for OHTA are included within the Office of the Special Trustee totals.
** FY 2003 Appropriations Act includes a limitation "of which $15 million is for historical accounting." OST reorganization realigns an additional $.994 million to OHTA from another program as part of the reorganization.

Key Points:

- **The Department is currently involved in a major class action lawsuit (*Cobell v. Kempthorne*), and lawsuits by nearly 300 Tribes associated with the management of Indian trust funds.**

- **After 12 years of litigation over the Department of the Interior's management of the trust funds of individual Indians, on August 7, 2008 U.S. District Court Judge James Robertson issued a decision in the Cobell lawsuit rejecting the plaintiffs' theory that the government owes them $47 billion, and awarded them no more than $455,600.**

- **The plaintiffs have appealed this decision.**

- **The judge's ruling did not absolve the Department of it's historical accounting responsibilities.**

Background:

- In 1994, Congress passed the *American Indian Trust Fund Management Reform Act of 1994*. This Act requires the Secretary of the Interior to account for the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian Tribe or an individual Indian, which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a).

- The Secretary established the Office of Historical Trust Accounting in July 2001 to plan, organize, direct, and execute a historical accounting of individual Indian money. Responsibility for Tribal accounts was added later.

- On May 31, 2007, the Department released the 2007 Historical Accounting Plan for Individual Indian Money accounts. The 2007 plan reflects what has been learned in four years of historical accounting. The Department's accounting plan includes the provision of historical accountings for about 364,500 IIM accounts open on or after October 25, 1994, that had balances. Implementation of the plan is estimated to cost $271 million. In part, the plan calls for the reconciliation of select receipt and disbursement transactions to develop assurances of the accuracy of the historical statements of account to be delivered to the account holders. Such statements include transaction by transaction listings with such

pertinent information as transaction dates, transaction amount, and beginning and ending balances.

- Collection of Trust records for deposit at American Indian Records Repository is the responsibility of the Office of Trust Records. The National Archives and Records Administration protect and safeguard the records.

- As of September 30, 2008, OHTA has:
  - Reconciled more than 66,000 judgment and over 17,500 per capita accounts of the 96,800 judgment and per capita accounts (including some with no current balance).
  - Identified the proper ownership of more than $51 million in residual retrospective special deposit account balances belonging to individual Indians, Tribes, and private entities.
  - Completed reconciliation of all 2,100 High Dollar (over $100,000) transactions of the Electronic Records Era (1985-2000). Also completed reconciliation of national sample of 4,500 transactions under $100,000.
  - Determined variance rates and dollar differences in accounts for the electronic records era, approximately 1985 through 2000, as a result of the Litigation Support Accounting project completed in fiscal year 2005.

Major Budget Trends

- Funding for Historical Accounting has been funded at or near the enacted level for the last several years. Congress has not accepted the Department's proposed increases for historical accounting activities.

2008 Enacted

- Congress funded the Office of Historical Trust Accounting at $55.5 million, which was the enacted level minus the across the board reduction.

2009 Budget

- The 2009 budget for historical accounting is $56.4 million, an increase of $941,000 over 2009. This amount will provide approximately $40.0 million for IIM accounting, and $16.4 million for tribal accounting.

Individual Indian Monies (IIM) Accounts

- Within the $40.0 million proposed for individual accounts, Interior will use $35.5 million to reconcile 1,000 land-based IIM transactions; continue imaging and coding 500 boxes of jacket folders and digitize 120,000 paper ledgers, resulting in the imaging and coding of approximately four million pages of trust documents; perform data completeness validation for a total of eight BIA regions; and continue mailing 120,000 historical statements of accounting.
- An additional $4.5 million will be used to resolve the proper ownership of residual balances in special deposit accounts and distribute $2.5 million in account balances to Tribes, individual Indians, and non-trust entities.

Tribal Accounting

- The $16.4 million for tribal cases will support analysis of tribal claims through the U.S. Department of Justice. There are currently 102 cases pending, including a class action case seeking certification of a class of over 250 Tribes.

- The OHTA intends to continue its strategy for 2009 of satisfying the critical information needs of the litigating Tribes through OHTA's document production and organization, digitization, and analysis of tribal accounts.

- The OHTA will also support active litigation through the U.S. Department of Justice. Progress on tribal historical accountings and analysis of tribal claims are essential to continuing the approach.

DEPARTMENT OF THE INTERIOR
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OFFICE OF THE SECRETARY
BUREAU OVERVIEW
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	130.2	116.3	99.6	99.6	105.8	6.2
Permanent	-	0.1	0.1	0.1	0.1	-
Total	130.2	116.4	99.7	99.7	105.9	6.2
FTE	856	774	783	783	722	-61.0

Office Profile:

- The Office of the Secretary appropriation funds the immediate Office of the Secretary, the offices of the five Assistant Secretaries and PMB (Policy, Management and Budget) staff offices.

- The Office of the Secretary provides the executive level leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs that are the Department of the Interior's responsibilities.

- Includes the Salaries and Expenses appropriation which funds the offices located in Washington, DC and a few field offices that provide support for environmental protection, Indian probate, hearings and appeals, indirect cost negotiations, appraisal services, and aircraft services. The National Business Center, also managed by the Office of the Secretary, is funded through direct appropriations, the Working Capital Fund, and the Franchise Fund. The National Business Center provides major business and administrative services to Interior bureaus and offices and other Federal agencies.

- The Office of the Secretary's mission is to provide the executive level leadership, policy, guidance, and coordination needed to manage the diverse, complex, and nationally significant programs that are Interior's responsibilities.

- The major business lines managed by the National Business Center include financial management, payroll, personnel, aircraft services, procurement and electronic commerce, career development and on-line training, information technology, property management, and appraisal services.

- Interior's employees include physical and social scientists, historians, architects, engineers, attorneys, trust officers, rangers, law enforcement officers, teachers, and construction and maintenance workers.

Legislative Issues

- The Cooperative Conservation Enhancement Act was proposed specifically to authorize the Secretary of the Interior to strengthen cooperative conservation efforts and to reduce barriers

to the use of partnerships to enable federal natural resource managers to meet their obligations, and for other purposes. The bill's introduction was sponsored by Senator Jeff Bingaman (D-NM) on October 25, 2007. It was read twice and referred to the Committee on Energy and Natural Resources.

Strategic Plan

- Interior's unified Strategic Plan is built on a foundation of management excellence. Goals for the Office of the Secretary include:
  - Increasing accountability by improving financial management.
  - Advancing modernization and integration through E-government and information technology management.
  - Improving human capital management
  - Organizational reviews and acquisitions
  - Performance and budget integration
  - Facilities improvement

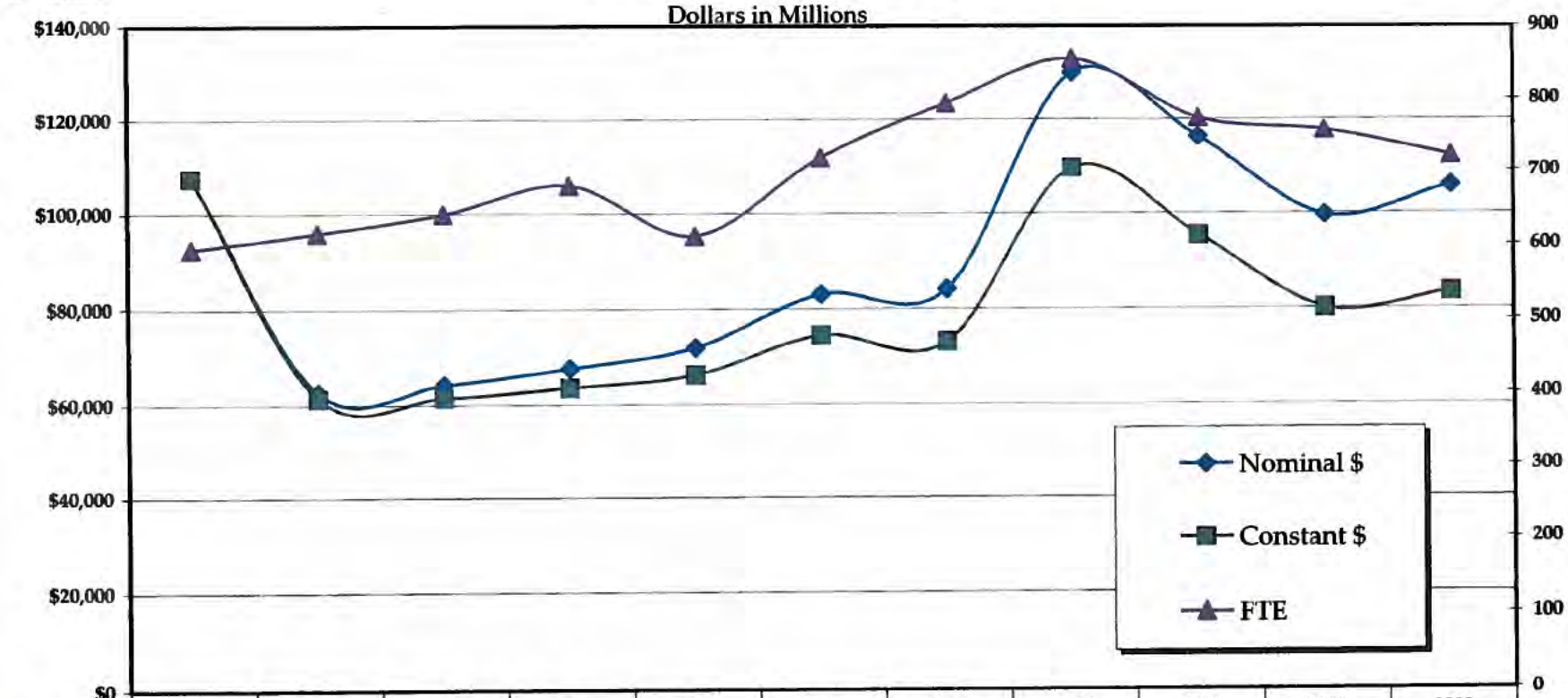
Current Issues

- The Financial and Business Management System is a financial management initiative that will replace the Department's many administrative systems and result in a modernized, fully integrated, enterprise-wide solution. The 2009 CR level provides only 55% of the appropriated funds needed in 2009, inevitably delaying deployment of FBMS at USGS and subsequent deployments and affecting complete implementation of the entire FBMS solution at OSM, MMS, and BLM.

- The Appraisals organization is experiencing challenges in the timing, cost and quality of appraisals. An effort is underway to examine alternatives.

- The 2008 audit is being completed with a potentially unqualified opinion and one material weakness.

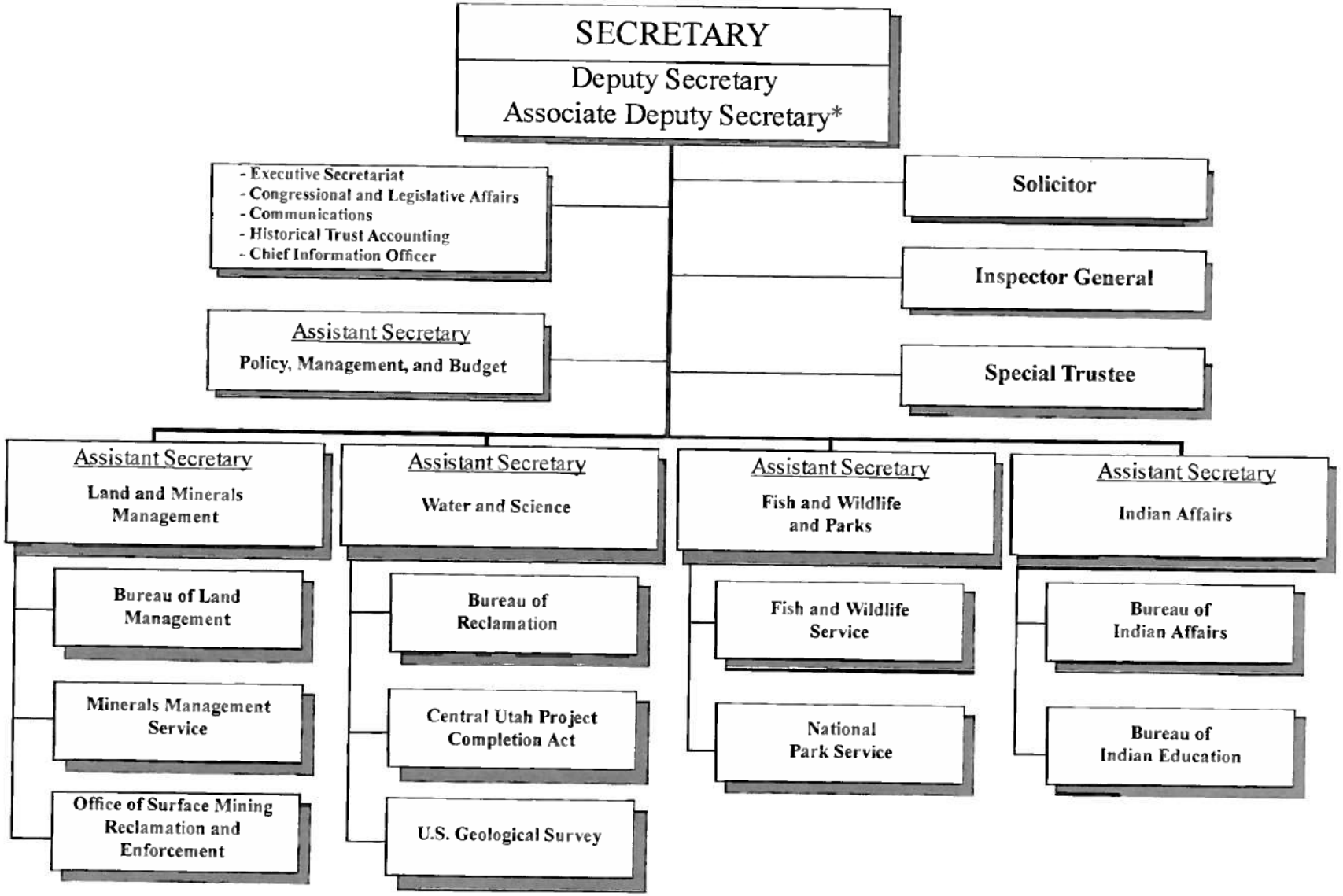
Departmental Management
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	107,446	62,557	64,177	67,645	71,956	82,998	84,131	130,238	116,305	99,573	105,895 *
Constant $	107,446	61,318	61,456	63,560	66,270	74,501	73,172	109,645	95,359	80,093	83,493
FTE	594	616	642	681	612	719	795	856	774	757	722

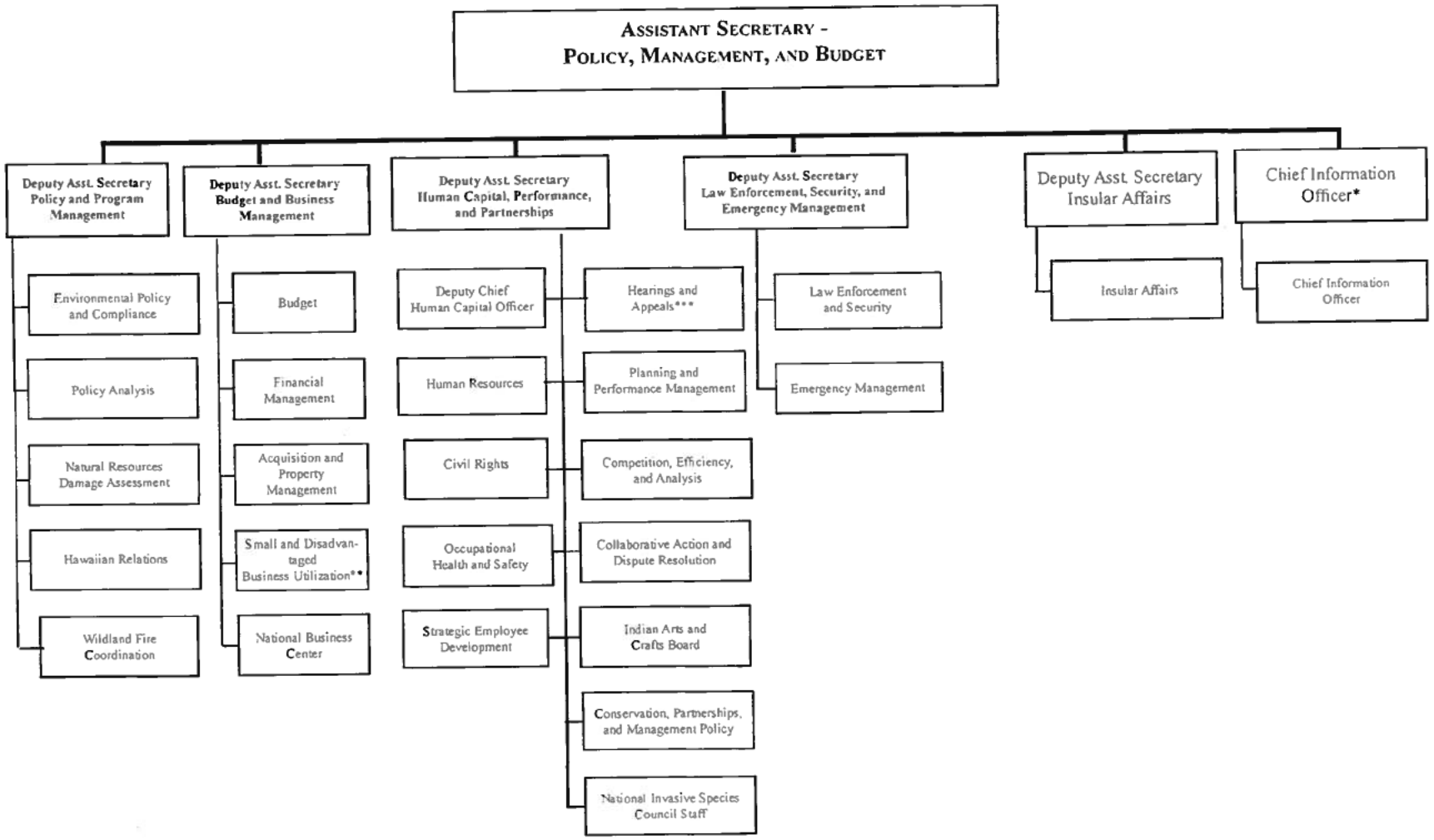
* Does not include cancellations of prior year Budget Authority

General Organization — Department of the Interior



* *The responsibilities of the Assistant Secretary — Policy, Management, and Budget are assigned to the Associate Deputy Secretary.*

Assistant Secretary — Policy, Management, and Budget



* *The CIO reports to the Secretary, the Office receives administrative guidance and support from A/S - PMB.*

** *The Director reports to A/S - PMB, the Office receives administrative guidance and support from the DAS - Business Management and Wildland Fire.*

*** *The Office reports to the Secretary but receives administrative guidance and support from the DAS - Human Capital, Performance, and Partnerships.*

OFFICE OF THE SECRETARY
BUDGET OVERVIEW
(dollars in millions)

APPROPRIATION: Office of the Secretary – Salaries and Expenses

	2006 Actual	2007 Actual	2008 Actual	2009 CR	2009 Request	Change From 2008 Enacted
Executive Direction	13.9	14.0	14.4	14.4	14.7	+.3
Policy, Management, and Budget	28.9	29.8	31.0	31.0	31.8	+.8
Hearings and Appeals	8.0	7.4	7.5	7.5	7.7	+.2
Consolidated Appraisal Services	7.3	7.4	7.7	7.7	8.0	+.3
Indian Arts and Crafts Board	1.1	1.2	1.2	1.2	1.2	-
Central Administrative Services	33.4	33.7	37.2	37.2	42.0	+4.8
USBM Workers Compensation	.6	.6	.6	.6	.6	-
Financial and Business Mgmt. System	22.2	22.2	-	-	-	-
Kendall County Grant	4.9	-	-	-	-	-
Martin Luther King Memorial	9.9	-	-	-	-	-
Transfer for Civilian Board of Contract Appeals	-	-.4	-	-	-	-
Permanent: Indian Arts and Crafts Board	-	-	.1	.1	.1	-
Permanent: Take Pride in America	-	.1	.1	.1	.1	-
Total w/ Permanent Appropriations	**130.2**	**116.0**	**99.7**	**99.7**	**106.0**	**+6.3**

* 2006 includes $4.9 million for the Kendall County Grant and $9.9 million for the Martin Luther King, Jr. Memorial Grant.
* 2006 and 2007 include $22.2 million each year for the Financial and Business Management system.

Major Budget Trends:

- Excluding special funding initiatives and "pass throughs," the Office of the Secretary's Budget increased $35.1 million or 54 percent over the last ten years in nominal dollars. Adjusting for additions and reorganizations delineated below, the level of increase is $7.8 million in constant dollars or 12 percent. Adjusting for additions and reorganizations, staffing has declined by 21 FTE from the 2001 level.
  - Nearly $10 million has been added to the appropriation for additions and reorganizations to OS, incorrectly making it appear that funding for basic programs has increased:
    - In 2006 $7.3 million was added for appraisal services;
    - In 2006 $0.3 million was added for the Single Audit function which was moved from the OIG;
    - In 2005 $1.0 million was added for Indian Arts and Crafts;
    - In 2004 $0.5 million was added for Take Pride in America; and,
    - In 2003 $0.6 million was added for the Indirect Cost Team which was moved from the OIG.

  - The Departmental Management budget, over the past ten years, has included a number of special appropriations. In 1999, these included:
    - $39 million to improve access between King Cove and Cold Bay, Alaska in the vicinity of a national wildlife refuge.
    - $8 million to implement and enforce certain Federal regulations in the Alaska dealing with subsistence uses of fish and wildlife on navigable rivers in Alaska.

- From 2005 to 2007, funding for development and deployment of the Financial and Business Management System (FBMS) was requested in the Office of the Secretary appropriation. In 2008, funding for FBMS was requested in, and appropriated to, the Working Capital Fund, consistent with other enterprise investments.

- From 2002 to 2008, $7.8 million has been absorbed in fixed costs for these offices.

2009 Budget:

- The Office of the Secretary – Salary and Expenses 2009 request is $105.9 million, $6.3 million above the 2008 enacted level and $4.5 million above the 2008 President's budget request.

- Funding for these offices is nine-tenths of one percent of Interior appropriations.

- Included with the request are $4.5 million for fixed costs, a program increase of 1 FTE and $200,000 for procurement suspension and debarment actions, a program increase of $156,000 for minerals appraisers and a program increase of $1.7 million for central administrative services to fund information technology security, postage, background investigations and other administrative costs associated with departmental operations. These increases are offset by decreases of $100,000 and $130,000 for savings to be realized in performance-based contracting and travel respectively.

- Funding for core Departmental Management programs has not kept pace with increased costs for salary, benefits and other inflationary costs. As a result, FTE usage has declined since 2001.

- The Office of the Secretary appropriation is managed closely with approvals to hire made on a case-by-case basis. Funds realized from personnel lapse (attrition) have been used to fund IT investments and special projects.

APPRAISAL SERVICES

Key Points:

- **Working in conjunction with a team of bureau representatives, the Department has developed an action plan to improve appraisal services and the collaborative working relationship with bureaus.**
- **The Deputy Secretary approved the action plan on January 15, 2009, for immediate implementation.**
- **The contracting function will be returned to the bureaus beginning on January 1 with a completion target date of March 2009.**
- **The Action Plan outlines a series of four options that were considered by a Departmental/Bureau workgroup for reorganization.**
- **No action will be taken to reorganize beyond returning the contracting function to the bureaus for one year.**

Background:

- On November 12, 2003, Secretarial Order 3251 consolidated the Department of the Interior (DOI) appraisal function into the National Business Center Appraisal Services Directorate.

- It has been five years since the consolidation and the Department has achieved goals for appraiser independence and objectivity, adherence to professional appraisal standards, and better oversight of Federal resources. These are the values that were recommended by the GAO and Office of Inspector General (OIG).

- Incremental activities have taken place to improve effectiveness and efficiency of appraisal operations; however, additional reforms are needed that will have a greater impact on timeliness, accountability, and cost management. It is critical that the relationship with bureaus and third party partners be strengthened for the program to be successful.

- Government Accountability Office (GAO) recommendations relating to the review of grants-in-aid appraisals have not been addressed.

- The Deputy Secretary approved a plan for short-term and long-term actions that can be taken to continue to reform the Appraisal Program. The ideas and options in this paper result from a consideration of options by a Department and Bureau Workgroup during November – December 2008, and subsequent evaluation and feedback from the Appraisal Services Directorate.

- A series of seven recommendations to be implemented include:

  1. Strengthen the Compliance Inspection program by incorporating a review of Grants-in-Aid Appraisals.

2. Develop proactive methods for avoiding problems with Customer Service, Timeliness and Cost Management.

3. Institutionalize the National Appraisal Coordination Team (NACT) via the Departmental Manual that includes bureau representatives.

4. Institutionalize the Review Response and Appeal Process to allow bureaus the opportunity to elevate issues.

5. Return the Contracting Function to the Bureaus Beginning January 15, 2009, to be completed by March 2009.

6. Evaluate Opportunities to Collocate with Bureaus and Align Appraisers with Bureau Specific Needs.

7. Conduct a Program Review in Collaboration with the NCAT, GAO and OIG after one year to evaluate the need to consider further restructuring/reorganization utilizing the results of a Department and Bureau Workgroup during meetings held November – December 2008.

OFFICE OF INSULAR AFFAIRS
OFFICE OVERVIEW
(dollars in millions)

Insular	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	81.5	81.5	83.1	83.1	79.9	-3.3
Permanent	330.9	329.4	328.1	321.7	321.7	-6.3
Total	412.4	410.9	411.2	404.8	401.6	-9.6
FTE	36	37	37	37	39	2.0

Office Profile:

- The Office of Insular Affairs (OIA) accomplishes the Secretary's responsibilities for the U.S. affiliated insular areas, including the territories of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands, as well as the Freely Associated States of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

- The mission of OIA is to increase the self-sufficiency of the insular areas, and is achieved by encouraging private sector economic development, promoting sound financial management practices in the insular governments, and increasing Federal responsiveness to the unique needs of the island communities.

- OIA assists U.S. affiliated islands in developing more efficient and effective governments by providing financial and technical assistance, and helps manage Federal-island relations by promoting appropriate Federal policies.

- OIA's budget has two appropriation accounts: Assistance to Territories provides assistance to the four U.S. territories; Compact of Free Association provides assistance to the three Freely Associated States.

- OIA's budget is divided into two major categories of funding—permanent, or mandatory, and current discretionary. Most of OIA's budget reflects mandatory commitments to U.S. affiliated insular areas. Within current appropriations, two activities are considered mandatory: Covenant grants, that provide for capital improvement projects in U.S. territories, and an annual Health and Education Block Grant provided to the Republic of Palau.

Legislative Issues:

- The Compact of Free Association with the Republic of Palau will expire at the end of FY 2009. The terms of the Compact are under review by the State, Defense, and Interior Departments to ascertain the overall nature and development of the U.S.-Palau relationship.

Strategic Plan:

- The strategic goals of the OIA are within the mission goal of Serving Communities – Increase Self-Sufficiency of Insular Areas, Goal 5 of the Department's Strategic Plan.

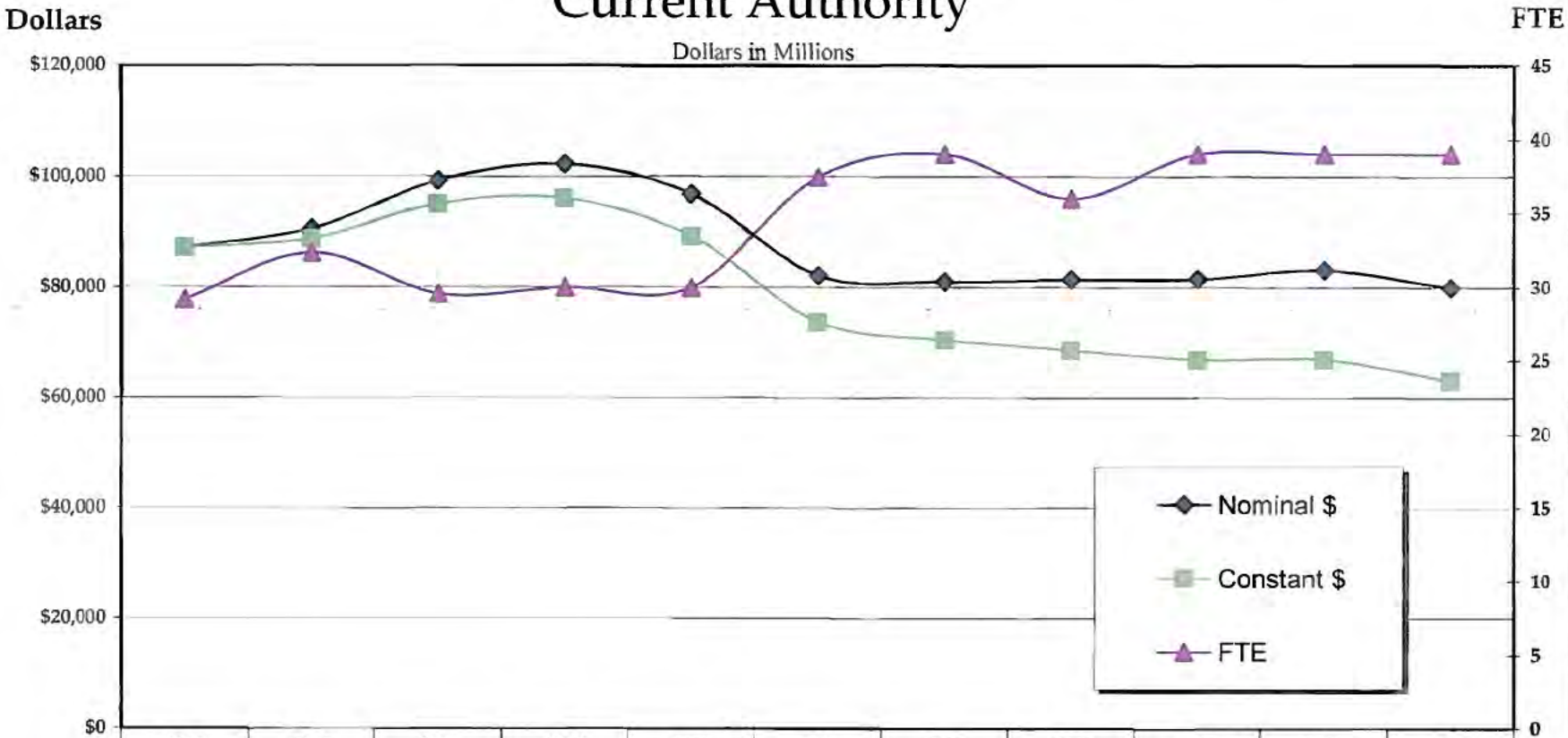
Current Issues:

- The most pressing issue facing the Office of Insular Affairs is the pending military move from Okinawa, Japan, to Guam beginning in 2010, and the assistance Guam will need to improve and upgrade their civilian infrastructure to accommodate the expected increase in population on the island. Insufficient commitment to civilian infrastructure development and the economic prosperity of Guam's residents while the military rapidly expands its presence on the island may adversely impact our near- and long-term strategic interests. The buildup, which is a vital part of U.S. national security, cannot be fully successful unless Guam's civilian infrastructure is upgraded to keep pace with expansions to the military infrastructure and the associated population increase of an estimated 20 percent.

- The OIA is currently engaged in an inter-agency effort 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 Palau will expire at the end of FY2009. The purpose of the review, required by Public Law 99-658, is to ascertain the overall nature and development of the U.S.-Palau relationship, including the "operational requirements" of the Palau government. Because of the expiring permanent appropriation, any additional assistance will require an increase in the Department's budget ceilings.

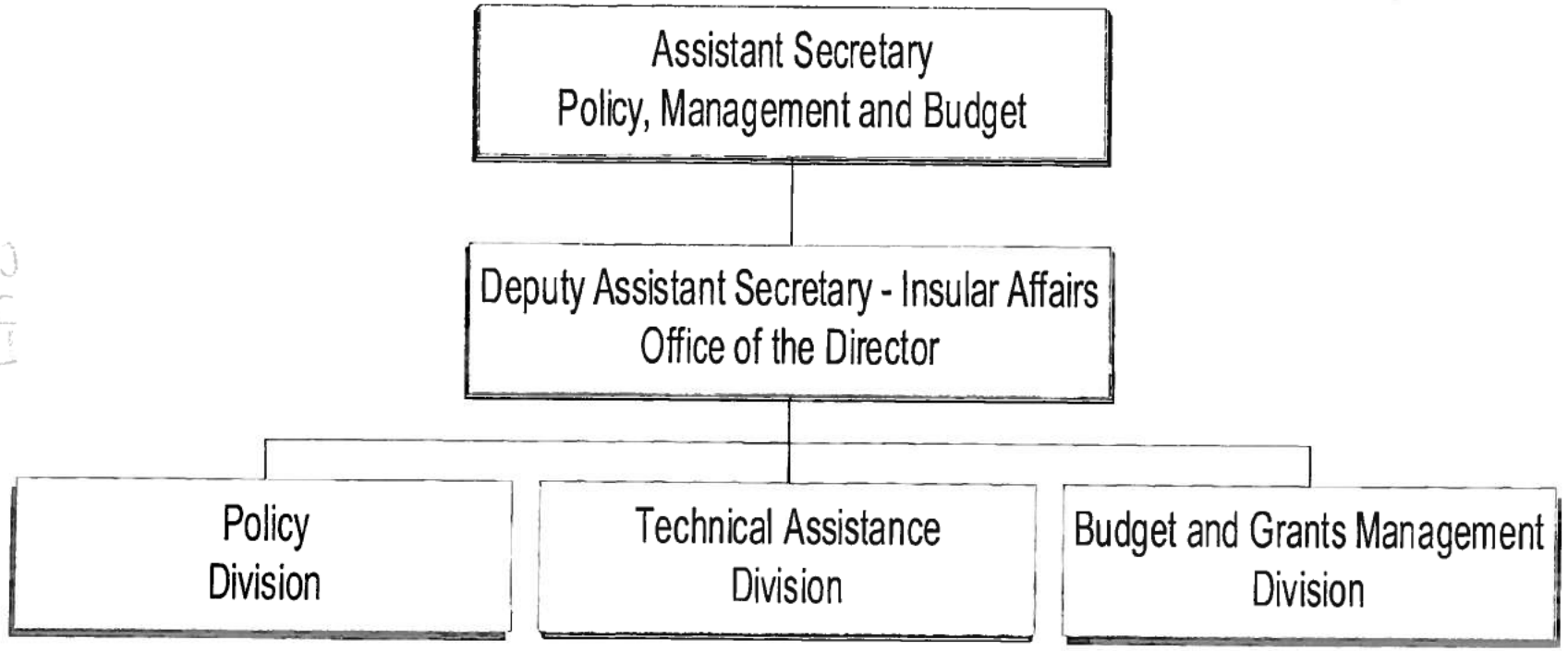
- With the majority of U.S. coral reefs located in the insular areas, the OIA plays a critical role in the national effort to develop effective programs to sustainably manage and protect U.S. coral reef resources. OIA works closely with the islands to identify and implement a broad scope of management actions from education and outreach to the establishment of marine protected areas and increased enforcement. OIA will continue to work with the insular areas to identify, prioritize, and fund local initiatives aimed at improving coral reef management, protection, and restoration in the insular areas.

Office of Insular Affairs
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	87,105	90,482	99,189	102,195	96,830	82,123	81,032	81,473	81,510	83,129	79,872
Constant $	87,105	88,690	94,983	96,023	89,179	73,715	70,477	68,590	66,831	66,866	62,975
FTE	29	32	30	30	30	37	39	36	39	39	39

ORGANIZATION CHART
OFFICE OF INSULAR AFFAIRS



OFFICE OF INSULAR AFFAIRS
BUDGET OVERVIEW
(dollars in millions)

Major Budget Trends:

- Beginning in 2000, OIA began receiving significant increases from Congress for Compact Impact Assistance to Guam. In 2002, Congress began adding additional increases for Compact Impact Assistance for Hawaii and the CNMI. Beginning in 2004, Compact Impact Assistance funding was moved to permanent funding under the new Compact of Free Association (CFA).

- In 2004 two new bi-lateral 20 year Compacts of Free Association between the United States and the Federated States of Micronesia and between the United States and the Republic of the Marshall Islands were ratified, providing $182 million in the first year. Funding will increase through the out-years based upon inflationary factors.

- In 2005 Congress included Enewetak support in the new Compact, making it a permanent appropriation. The Department has been trying to decrease this funding (-$500,000) from the discretionary budget, but to date Congress has not allowed the decrease, citing a need for increased Enewetak support.

- The 2008 budget was $411.0 million. This included $83.1 million in current appropriations, $1.6 million above 2007, and $327.9 million in permanent funding.

- Included in the 2008 budget was an increase to Technical Assistance for four assistance programs: 1) judicial training for the territories; 2) the Republic of the Marshall Islands Health Care Program; 3) the Prior Services Benefits Trust Fund; and 4) the Commonwealth of the Northern Mariana Islands Initiative. These assistance programs traditionally have not been requested in the President's budget, but funds have been provided annually by Congress.

- The Coral Reef Initiative was increased by $484,000 for a 2008 budget of $979,000, $484,000 more than both the 2007 enacted budget and the 2008 President's budget.

2009 Budget:

- The 2009 budget is $401.6 million. This includes a request for $79.9 million in current appropriations, a decrease of $3.3 million below the 2008 enacted budget, and $321.7 million in permanent funding.

- Permanent appropriations for OIA in 2009 total $321.7 million. This funding includes:

    - $208.7 million in Compact of Free Association payments to the Republic of the Marshall Islands, the Federated States of Micronesia and Palau.

- $113.0 million in payments to territories to reimburse the Virgin Islands for Federal excise taxes collected on rum sales and Guam for the income taxes collected from Federal employees and military personnel residing in Guam.

Operations:

- The 2009 budget partially funds fixed costs needs at $227,000. The request partially funds pay and health care costs and fully funds costs paid to other agencies and the Department's Working Capital Fund.

- The Coral Reef Initiative is reduced by $229,000 for a 2009 budget request of $750,000. These funds will support community-based conservation planning and management in Micronesia, and, partnering with the National Park Service and a consortium of universities, will establish a marine research and education center in the U.S. Virgin Islands.

OFFICE OF THE SOLICITOR
BUREAU SUMMARY
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	54.6	55.0	58.3	58.3	62.1	3.7
Permanent	-	-	-	-	-	-
Total	54.6	55.0	58.3	58.3	62.1	3.7
FTE	396	395	401	401	402	1.0

Bureau Profile:

- The Office of the Solicitor's attorneys provide legal advice and counsel to all areas of the Department in order to assure the Department's programs and initiatives are carried out in a manner consistent with applicable law and regulations.
- The Office prepares formal legal opinions; reviews draft legislation, regulations, contracts, and other documents; and provides information and legal advice in a wide variety of circumstances.
- In addition, the Office's attorneys represent the Department in administrative litigation and assist the Department of Justice with judicial litigation involving the Department.
- The Office's headquarters is located in Washington, D.C. with 18 regional and field offices located throughout the United States.
- The SOL has experienced increased responsibilities and litigation with the passage of new laws and regulations governing the Department.
- Outside the Solicitor's Office, the only practicing attorneys in the Department are in the Office of Inspector General's general council, the legislative counsel in the Office of Congressional and Legislative Affairs, and the Office of Hearing and Appeals.

Legislative Issues:

- None

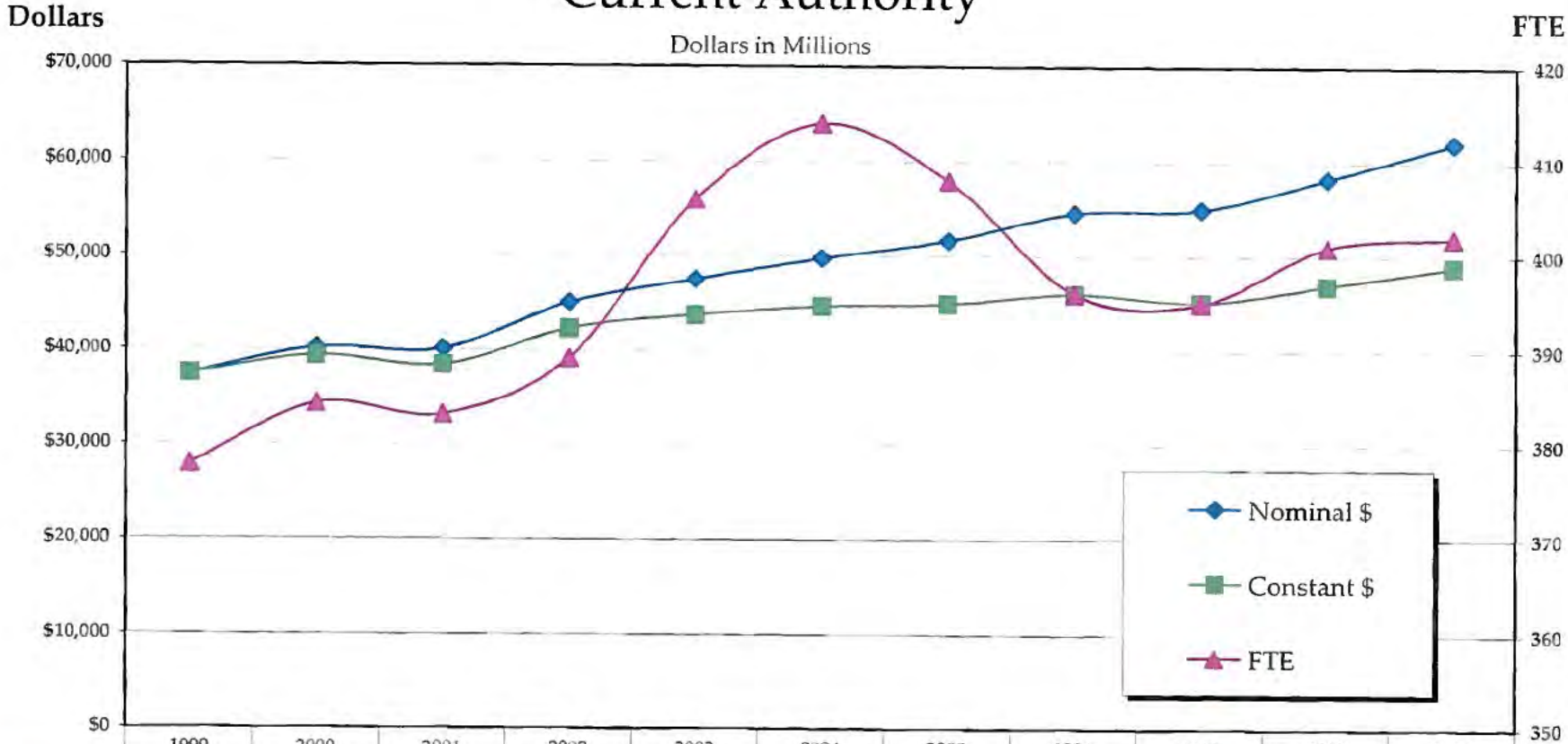
Strategic Plan:

- The Solicitor's Office provides legal advice and review in a variety of circumstances to assist the Department in achieving management excellence goals.

Current Issues:

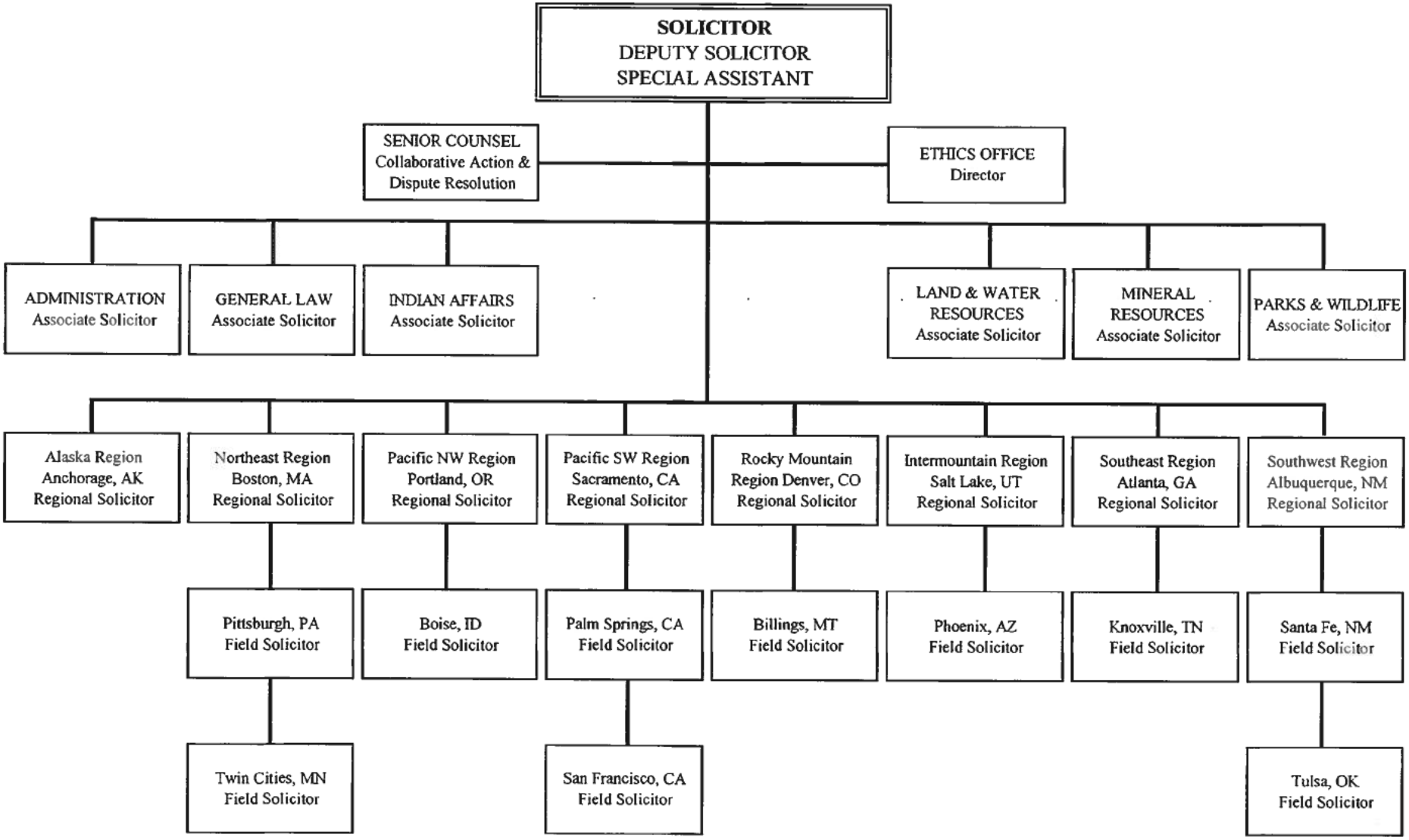
- The Office was recently reconnected to the internet, following a nearly seven year time period without access to internet or email. In the past two years, the Office has worked to improve their information technology security in preparation for their reconnection to the internet, but must continue the focus and ensure that the Office meets continued IT standards.

Office of the Solicitor
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	37,452	40,196	40,108	44,973	47,462	49,753	51,662	54,624	55,018	58,326	62,050
Constant $	37,452	39,400	38,407	42,257	43,712	44,659	44,933	45,987	45,110	46,915	48,923
FTE	378	384	383	389	406	414	408	396	395	401	402

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
ORGANIZATIONAL CHART



OFFICE OF THE SOLICITOR
BUDGET OVERVIEW

Major Budget Trends:

- The Office of the Solicitor's budget increased by $20.9 million or 55 percent over the last ten years in nominal dollars. In constant dollars this is an increase of 25 percent. Staffing measured in FTE has increased by 6 percent.

- The Solicitor's Office receives additional funding from bureaus through reimbursable attorney positions. In 2008, the Solicitor's Office estimated that bureaus would reimburse the Office $9.5 million for 48 attorneys working on time-limited bureau-specific issues.

- Although the SOL's budget has gradually increased over the last ten years, these increases have been primarily for fixed costs for pay raises and employee benefits. Because fixed costs have not been consistently funded and because of across-the-board (ATB) rescissions, increases have not kept up with increased operating costs.

2009 Budget:

- The 2009 SOL budget request is $62.1 million, an increase of $3.7 million above 2008.

- The 2009 budget included $2.4 million in fixed cost increases, $1.4 million for information technology requirements, and a reduction of $130,000 for travel and relocation expenses.

- The Solicitor's budget focus in recent years has been on information technology upgrades, knowledge management, and records management.

OFFICE OF INSPECTOR GENERAL
BUREAU SUMMARY
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	38.5	38.8	43.9	43.9	44.8	0.9
Permanent	-	-	-	-	-	-
Total	38.5	38.8	43.9	43.9	44.8	0.9
FTE	261	259	251	251	273	22.0

Bureau Profile:

- The OIG conducts, supervises, and coordinates audits, evaluations, investigations, and assessments related to the Department's programs and operations.
- The Office's headquarters is in Washington, D.C., with field offices and/or staff in locations across the United States, the U.S. Virgin Islands, and Hawaii.
- The Office's written reports generate recommendations, suggestions, and examples of best practices to assist the Department and its bureaus in improving operations and maximizing value to the American taxpayer.
- The OIG has witnessed changing responsibilities in previous years. Single audit functions were transferred from the OIG to the Office of the Secretary. The Congress has dedicated resources in the OIG budget to the development of permanent audit and investigative capabilities relating to MMS Royalty-in-Kind (RIK) programs.

Legislative Issues:

- The Inspector General Reform Act of 2008 amends the Inspector General Act of 1978 to enhance the independence of the Inspectors General, to create a Council of the Inspectors General on Integrity and Efficiency, and for other purposes. The bill amends the term limit for Inspector Generals; provides guidance on budget submissions for IG offices; provides requirements for the removal of Inspectors General from office; and establishes a Council of Inspectors General to provide oversight.

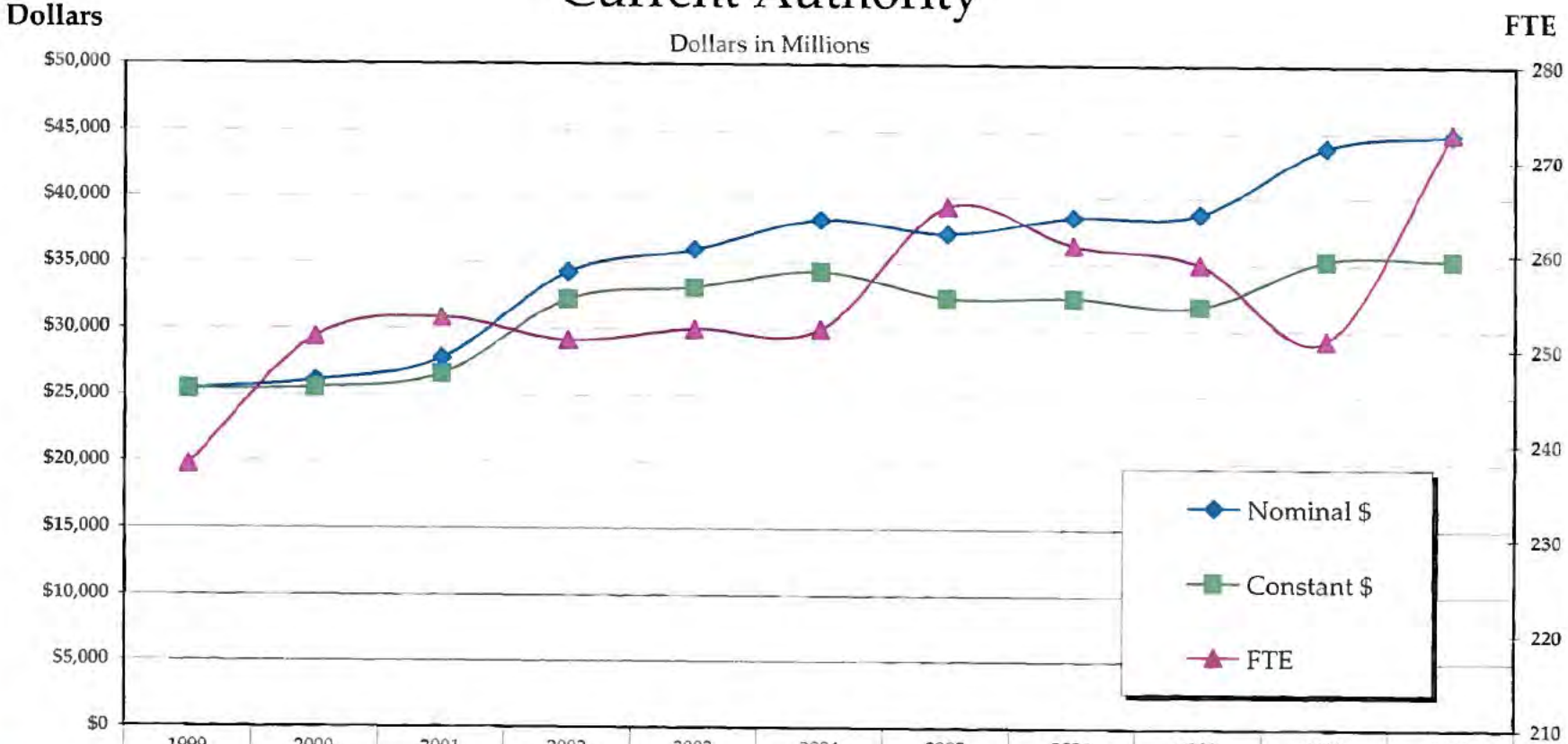
Strategic Plan:

- The Office of Inspector General's inclusion in the Strategic Plan is in management excellence. The OIG assists the Department in accountability by providing recommendations following audits and investigations of the Department's multi-faceted programs.

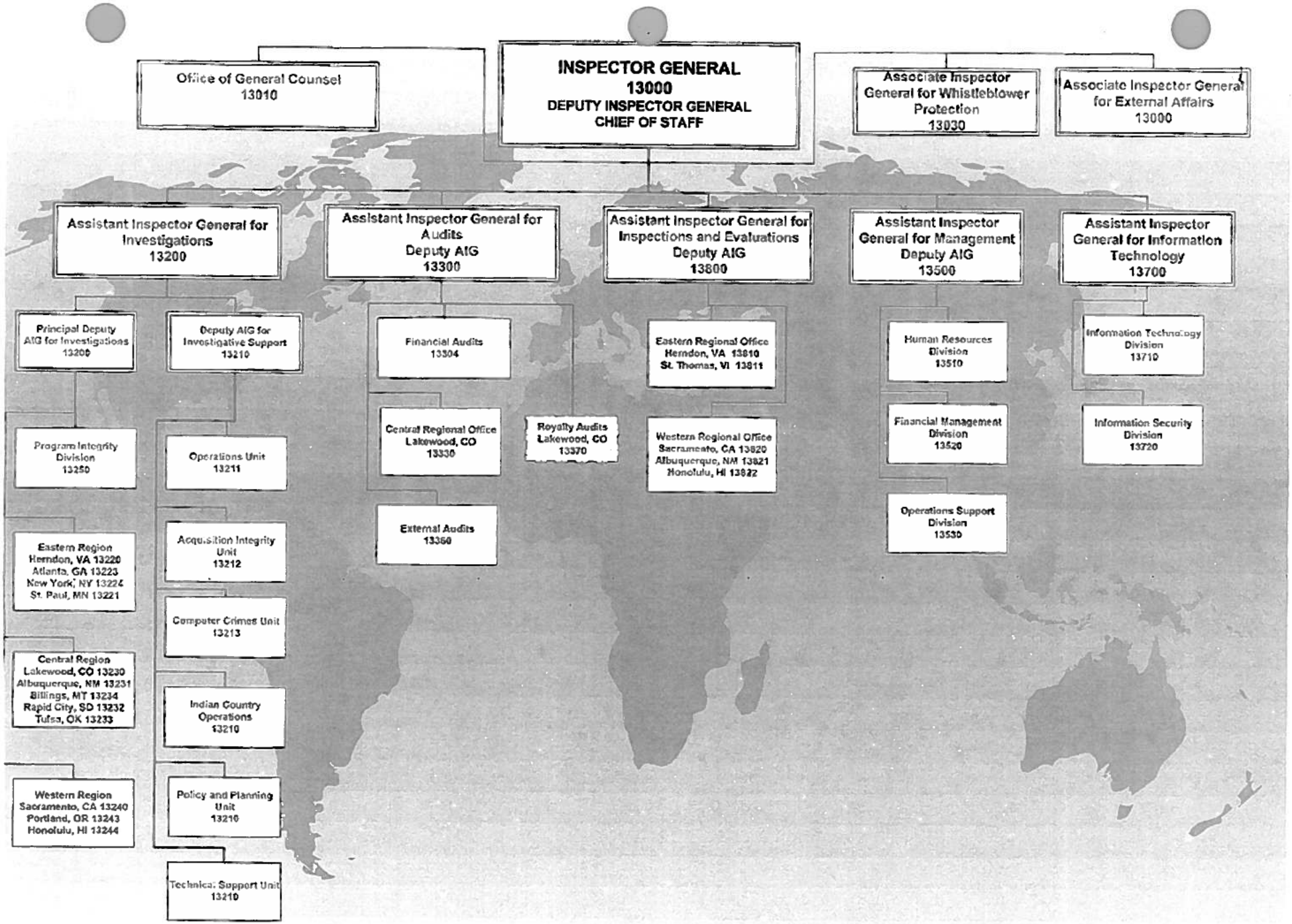
Current Issues:

- None

Office of Inspector General
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	25,436	26,086	27,785	34,283	36,003	38,272	37,275	38,541	38,823	43,877	44,823
Constant $	25,436	25,569	26,607	32,213	33,158	34,354	32,420	32,447	31,831	35,293	35,341
FTE	238	251	253	251	252	252	265	261	259	251	273


Office of General Counsel
13010
INSPECTOR GENERAL
13000
DEPUTY INSPECTOR GENERAL
CHIEF OF STAFF
Associate Inspector General for Whistleblower Protection
13030
Associate Inspector General for External Affairs
13000
Assistant Inspector General for Investigations
13200
Assistant Inspector General for Audits
Deputy AIG
13300
Assistant Inspector General for Inspections and Evaluations
Deputy AIG
13800
Assistant Inspector General for Management
Deputy AIG
13500
Assistant Inspector General for Information Technology
13700
Principal Deputy AIG for Investigations
13200
Deputy AIG for Investigative Support
13210
Program Integrity Division
13250
Eastern Region
Herndon, VA 13220
Atlanta, GA 13223
New York, NY 13224
St. Paul, MN 13221
Central Region
Lakewood, CO 13230
Albuquerque, NM 13231
Billings, MT 13234
Rapid City, SD 13232
Tulsa, OK 13233
Western Region
Sacramento, CA 13240
Portland, OR 13243
Honolulu, HI 13244
Operations Unit
13211
Acquisition Integrity Unit
13212
Computer Crimes Unit
13213
Indian Country Operations
13210
Policy and Planning Unit
13210
Technical Support Unit
13210
Financial Audits
13304
Central Regional Office
Lakewood, CO
13330
External Audits
13360
Royalty Audits
Lakewood, CO
13370
Eastern Regional Office
Herndon, VA 13810
St. Thomas, VI 13811
Western Regional Office
Sacramento, CA 13820
Albuquerque, NM 13821
Honolulu, HI 13822
Human Resources Division
13510
Financial Management Division
13520
Operations Support Division
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Information Technology Division
13710
Information Security Division
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4/13/2008

OFFICE OF INSPECTOR GENERAL
BUDGET OVERVIEW

Major Budget Trends:

- The Inspector General budget increased by $18.4 million or 72 percent over the last ten years in nominal dollars. In constant dollars this is an increase of 38 percent. Staffing measured in FTE has increased by 14 percent.

- Congress has supported OIG audit and investigation activities, as well as provided funding for additional staff and new programs over the last several years.

- In recent years, the OIG has focused on IT Security, as well as audits and investigations of the Department's programs.

2009 Budget:

- The 2009 OIG budget request is $44.8 million, an increase of $946,000 above 2008.

- The 2009 budget included $1.1 million in fixed cost increases and a reduction of $130,000 for travel and relocation expenses.

DEPARTMENT OF THE INTERIOR
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WILDLAND FIRE MANAGEMENT
PROGRAM OVERVIEW
AND
2009 BUDGET SUMMARY
(dollars in thousands)

	2007 Enacted	2008 Pres. Budget	2008 Enacted	2009 Pres. Budget	Change from Enacted
Preparedness	274,863	268,334	276,483	277,718	+1,236
Suppression	249,185	294,398	289,805	335,191	+45,386
Hazardous Fuels	199,787	202,792	199,628	202,792	+3,164
Rehabilitation	22,786	24,591	24,207	24,305	+98
Rural Fire Asst		0	5,906	0	-5,906
Fire Facilities	7,734	7,734	6,137	6,137	0
Joint Fire Science	4,000	4,000	5,906	4,000	-1,906
Total, WFM	758,355	801,849	808,072	850,143	+42,072
Supple. Approps.	95,000		249,000		
Total	853,355		1,057,072		

Note: the $249M in supplemental appropriations was provided in two different bills:

- The Second Continuing Resolution for FY 2008 (P.L. 110-116) provided DOI a total of $171.0 million, including $115.0 for repaying other accounts ($112.5 was borrowed from other accounts and $2.5 was reprogrammed from other WFM programs); $10.0 million for Hazardous Fuels; $6.0 million for Burned Area Rehabilitation; and $40.0 million for emergency suppression.
- Title V of the final FY 2008 Consolidated Appropriations Act (P.L. 110-161) included $78.0 million for DOI for fire suppression.
- In 2009, the Department is funded under a continuing resolution through March 6, 2009 at the 2008 enacted rate (excluding 2008 supplemental appropriations). However, Title I-Chapter 6 of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009 (P.L. 110-329) also provided an additional $135 million for DOI Wildland Fire Management, including $110 million for Suppression and $25 million for Burned Area Rehabilitation..

Key Points:

- **The rising 10-year suppression average has put significant pressure on the budget resulting in decreases in Preparedness and other Wildland Fire Management programs, and impacts the funding available for other DOI priority and needs as well.**

- **The Department has recently focused on improving management of the emergency stabilization program to help mitigate its impact on the 10-year suppression average. This issue is discussed in a separate briefing paper.**

- **The Department of the Interior and the Forest Service funded the development of the Fire Program Analysis system for several years. The FPA is a common interagency fire planning and budget process with a cost-effective trade-off analysis. The FPA's latest schedule calls for a phased deployment with all Fire Planning Units completing their analyses by May, 2009. With this schedule, the FPA would be available to inform the 2011 budget formulation, and possibly help inform the allocation of the 2010 appropriation.**

- **A consistent, spatially relevant process to manage funding allocation decisions in the Hazardous Fuels Reduction program was developed in 2007 to begin informing allocation decisions. By employing the Ecosystem Management Decision Support (EMDS) system, the Department is able to more effectively implement hazardous fuels projects and allocate funding in order to have the greatest impact.**

Discussion:

- Funding the 10-year suppression average in recent years has required enormous funding increases. As a result of overriding budget constraints, the Department and/or OMB have been forced to offset these increases within the Wildland Fire Management budget or against other DOI programs funding needs.
- Over the years, funding for the Preparedness program has either experienced budget cuts or not kept up with inflation. As a result, many preparedness resources, such as numbers of fire fighters, engines, and aircraft, have been reduced.
- Reductions in Preparedness resources has shifted firefighting costs to Suppression, as having fewer Preparedness resources in place to address initial attack results in higher suppression costs.
- The decision criteria used in the Hazardous Fuels Reduction program's EMDS system are weighed by national program leaders to set priorities based on the following: wildfire potential (based on fuels, weather and large fire occurrence potential); negative consequence associated with catastrophic fire (values at risk); and past performance and other opportunities (other funding sources and restoration objectives).

Major Budget Trends:

- Funding for Interior's Wildland Fire Management program received a significant boost in 2001 with the adoption of the National Fire Plan. Funding for Preparedness jumped from a 2000 level of $165.8 million to $314.7 million in 2001, funding for Hazardous Fuels Reduction increased from $47.0 million to $195.0 million during that same period.
- In 2002, funding for Preparedness and Hazardous Fuels Reduction were reduced by $33.9 million and $8 million, respectively, by eliminating one-time costs.
- In 2004 the program received a $4.4 million increase for Burned Area Rehabilitation.
- Significant increases were provided in 2005, including $17.2 million for the Hazardous Fuels Reduction program and $6.2 million in Preparedness to

continue development of the Fire Program Analysis system ($2.9 million) and to implement recommendations of the Blue Ribbon Panel on aviation safety ($3.3 million).

- Over this period, the WFM program has also become increasing reliant on emergency supplemental appropriations to cover its suppression costs.

2008 Enacted:

- Congress restored approximately $8 million of the $17.2 million reduction for Preparedness proposed in the 2008 President's Budget.
- Congress resurrected the Rural Fire Assistance program, which was terminated in the 2007 operating plan, by appropriating $5.9 million for the program.
- Congress provided a $1.9 million increase for the Joint Fire Science program, raising its budget to roughly the 2006 enacted level of $6.0 million.
- Congress cut the fire facilities construction and maintenance program by $1.6 million.

FY 2009 Budget:

- The 2009 budget proposes $850.1 million to support the fire preparedness, suppression, fuels reduction, and burned area rehabilitation needs of the Department, an increase of $42.1 million over the 2008 enacted level. The total budget increase includes $8.3 million for fixed costs.
- To help offset fixed costs and the $45.4 million increase in suppression, the Wildland Fire Management budget includes the following reductions:
    - -$5.9 million to terminate the Rural Fire Assistance program, consistent with the 2007 operating plan and the 2008 President's Budget. DOI will continue to dedicate $1.2 million of Preparedness funds to the Ready Reserve initiative to help train and equip local fire fighters to assist in fighting initial attack and extended attack fires on federal lands.
    - -$1.9 million to reduce the Joint Fire Sciences program back to the 2007 enacted level and 2008 President's Budget request level.
    - -$4.5 million for Preparedness. The request includes a reduction of $492,000 in pass-through funding to the Idaho Universities consortium for the rangelands fire and erosion project, a 2008 earmark and low priority. A savings of $798,000 will be achieved by accelerating the use of performance-based contracting. The wildland fire management program will manage the remaining reduction of $3.3 million by continuing the re-alignment of the Department's fire organization base resources that began in FY 2008. The reduction includes modest changes to enhance national efficiency, including such measures as more strategically placing firefighter resources, continuing

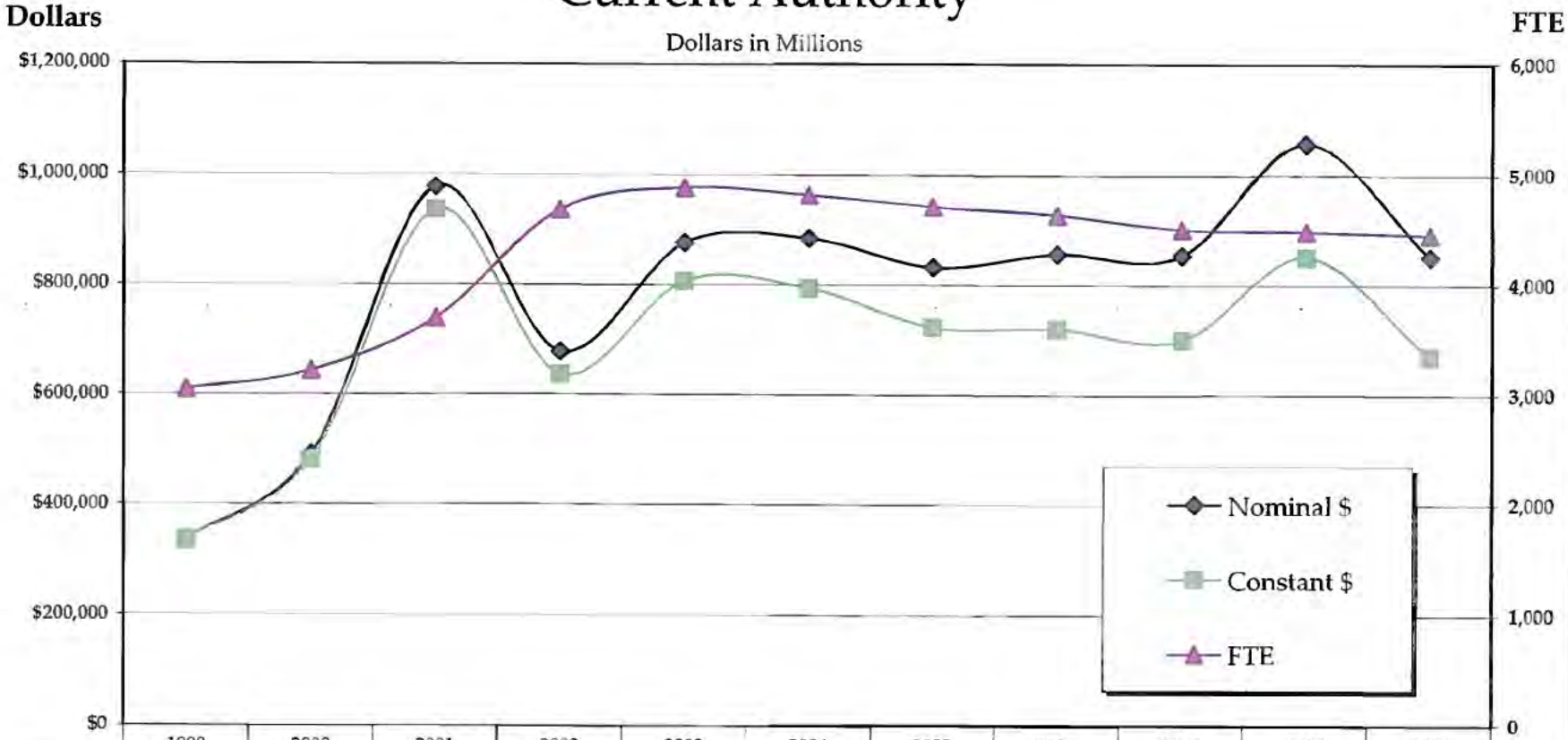
the national re-structuring of the aviation program, and reducing the support personnel at national, regional and field unit offices.

Background:

- The Wildland Fire Management program is guided by the goals of the National Fire Plan: improve fire suppression and prevention; reduce hazardous fuels; restore fire adapted ecosystems; and promote community assistance.
- Working collaboratively, the four Interior wildfire management bureaus and the USDA Forest Service developed consistent guidelines, policies, and actions that provide seamless wildland fire protection. The Departments continue to work together on improved coordination of national planning and budgeting processes.
- The Wildland Fire Management program is organized around the following budget components:
    - Preparedness –funds the planning and readiness resources that are deployed in advance of fire emergencies, such as firefighters, leadership, and support personnel; aviation resources; other equipment; and training.
    - Suppression – funds the emergency and unpredictable aspects of wildland fire management. Suppression costs include expenses incurred by fire line, command, and support personnel above those covered by Preparedness (e.g. overtime pay), as well as those of temporary emergency firefighter personnel, aircraft flight operations, aircraft ramp support, logistical services, and supplies. Note, the Suppression program also funds emergency stabilization projects, those actions taken during and immediately following a fire to reduce the effects of floods, landslides, and erosion to reduce further resource damage.
    - Hazardous Fuels Reduction – funds fuels reduction treatments to reduce the risks of catastrophic wildland fire to communities and natural resources.
    - Burned Area Rehabilitation – this program initiates longer-term actions to repair lands damaged by wildfire. Rehabilitation treatments are designed to repair or improve lands unlikely to recover naturally from severe wildfire damage.
    - Facilities Construction and Maintenance
    - Joint Fire Science Program – this DOI-FS jointly funded program supports research projects to address the science needs of fire program managers.

- Rural Fire Assistance program – provides financial and technical assistance to rural and volunteer fire department cooperators. The last few President's Budgets have proposed to terminate this program for being duplicative of other Federal fire assistance grant programs administered by FS and DHS/FEMA. The Administration has instead proposed to provide training to local firefighters through the "Ready Reserve" component in the Preparedness program.

Interior Wildland Fire Management
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	336,730	490,957	977,099	678,421	875,152	883,593	831,295	855,286	853,355	1,057,072	850,143
Constant $	336,730	481,236	935,671	637,450	805,998	793,130	723,013	720,048	699,673	850,272	670,295
FTE	3,052	3,220	3,698	4,678	4,878	4,814	4,711	4,633	4,505	4,487	4,453

DEPARATMENT-WIDE
WILDLAND FIRE MANAGEMENT
SUPPRESSION OPERATIONS

	2001	2002	2003	2004	2005	2006	2007	2008	2009 P.B.
Regular Appropriations	153,109	127,424	159,309	192,903	218,445	230,721	249,185	289,805	335,191
Obligations	269,574	395,040	303,638	281,244	294,054	424,058	470,491	394,135	

The 2008 obligation amount is a preliminary "final" as of October 3, 2008.

	2001	2002	2003	2004	2005	2006	2007	2008
Rolling 10-Year Avg.	191,871	224,953	251,347	260,662	277,520	301,257	335,191	

Key Points

- **Funding the 10-year suppression average in recent years has required annual funding increases of $30 to $40 million. Budget constraints have made it necessary to offset these increases within the Wildland Fire Management budget or against other DOI programs.**

- **The budget dilemma created by rising suppression costs has caused reductions in Preparedness, Joint Fire Science and the proposed elimination of the Rural Fire Assistance program.**

- **DOI and the Forest Service have worked collaboratively to reduce firefighting costs and have considered alternative means of budgeting for suppression operations.**

- **Despite budgeting for the 10-year average, emergency supplemental appropriations and borrowing funds from other DOI accounts (Section 102 emergency transfers) are frequently needed to fund firefighting costs.**

Discussion

- A main driver in the rise of the 10-year average is the increasing frequency of large fires, and the high cost of suppressing them. The trend in high suppression spending is predicted to continue as a result of continued drought, rapid development in the wildland-urban interface, and high levels of hazardous fuels.

Budget Alternatives

- The FS and DOI developed for consideration a new budget paradigm for suppression that would partition suppression costs into two categories: predictable costs and unpredictable costs.

- Fire activity for an anticipated workload managed within the scope of established Fire Management Plans or associated documents would be funded from an Initial Response Account funded in FS's and DOI's discretionary budget caps.

- An interagency Emergency Reserve Account would be established to fund unanticipated large fires that require sudden, urgent, unforeseen, and non-permanent expenditures. This ER account would be a mandatory account outside of the FS's and DOI's discretionary budget caps.

- The partitioning concept includes the establishment of procedures and enhanced management controls and oversight to strengthen accountability and ensure that the establishment of an off-budget suppression account does not lead to even higher suppression costs.

- Legislation incorporating many of the features FS-DOI partitioning concept was introduced in the House and Senate in the 110th Congress (the "FLAME Act"). Committee hearings were held on the bill. The Administration did not testify on the bill.

Cost Control

- The Department of the Interior and the Forest Service have taken a number of positive steps to help control wildfire suppression costs, including:
    - emphasizing land management decisions that affect fuel loading and resource protection;
    - increasing the skills and numbers of local firefighters;
    - advancing integrated data management;
    - providing clarification for master cost-sharing agreements; and
    - developing metrics and accountability measures to evaluate managerial cost effectiveness.

- The Department continues to emphasize Appropriate Management Response (AMR). AMR operations balance the allocation of suppression resources with the level of risk the wildfire poses to the public or to resources.

- In 2007 and 2008, national fire program leadership placed more emphasis on confine, contain, and point protection strategies for fires that posed a low risk to communities and natural resources. The shift in strategies resulted in a reduction of the application of aggressive response tactics used in the past.

- The Department has also recently capped the amount of Suppression funds available for Severity and Emergency Stabilization as a means of better constraining Suppression costs.

- It should be noted that the Department of the Interior and the Forest Service do have different practices regarding what costs are charged to the Suppression account. For example, the Interior charges Base-8 personnel costs to its Preparedness account, while the Forest Service charges B-8 costs to their Suppression account.

DEPARATMENT-WIDE
WILDLAND FIRE MANAGEMENT
EMERGENCY STABILIZATION & BURNED AREA REHABILITATION

	2004	2005	2006	2007	2008	2009 P.B.
Burned Area Rehabilitation	24,198	23,939	24,116	22,786	24,207	24,305
Emergency Stabilization	17,135	30,667	28,889	69,252	58,105	

Note: BAR amounts represent annual appropriations, excluding emergency supplemental appropriations.
Note: ES amounts are obligations. ES does not receive an appropriation. ES is funded in the Suppression Operations budget activity, but ES obligations are tracked separately. The 2008 amount is a preliminary "final" as of October 3, 2008.

Key Points

- **A dramatic jump in Emergency Stabilization spending in 2007, which continued into 2008, is contributing to the steep rise in the 10-year suppression average.**

- **The Deputy Bureau Directors' Fire Management Board (FMB) invested considerable effort in 2008 debating how to improve management of ES and BAR programs to control costs and improve program effectiveness.**

Discussion

- The spike in ES spending in 2007 was primarily the result of an unusually heavy fire season in the Great Basin region and a desire to aggressively use the ES program to revegetate the burned areas to help ensure the recovery of native vegetation and prevent the encroachment of invasive species. These steps are considered critical to preventing the listing of the Sage grouse and other sagebrush habitat-dependent species.

- For several years, OMB and the Appropriations Committees have been pressing the Wildland Fire Management program to constrain suppression costs. The WFM program has taken important steps to control firefighting costs. The spike in ES spending is undermining fforts to constrain Suppression spending.

- To begin to impose more fiscal constraint on the Emergency Stabilization program, the Interior Fire Policy Council decided for FY 2009 to cap ES funds at 10 percent of the Suppression appropriation, although the FPC decision provides for an escape clause in extreme circumstances.

- The FPC decision did not change the existing ES criteria which allows for the revegetation of burned areas to ensure native plant restoration. However, the decision added criteria that could limit the eligibility of these types of projects. Specifically, the project must: 1) be completed within one year of the fire being suppressed; 2) have a high likelihood of success, including factors such as a suitable growing

condition and available equipment and staffing; and 3) produce discernable benefits that otherwise would not occur naturally in the absence of ES intervention.

- If ES funding and project eligibility were further tightened with respect to revegetation treatments, it could result in more projects being submitted for funding from the Burned Area Rehabilitation program.

- After several years of having significant unobligated balances, in 2008 the BAR program had project requests that exceeded its base appropriation.

- To better ensure that BAR funds are targeted to the highest priority projects, the FMB developed and issued scoring criteria to be used in evaluating proposed BAR projects.

- The FMB has recognized the need for enhanced scientific information to inform management decisions regarding both ES and BAR projects. Accordingly, they have recommended using a portion of BAR funding in 2009 for monitoring and research to help provide information for managers to use in evaluating the need for and potential effectiveness of proposed ES and BAR projects.

DEPARATMENT-WIDE
WILDLAND FIRE MANAGEMENT
JOINT FIRE SCIENCE PROGRAM

Key Point

- **The DOI Fire Management Board (FMB) has recently identified the need for better integration between fire science and fire operations than is currently being achieved in the fire program.**

- **Fire program managers do not direct the bulk of the Department's fire research funding.**

Discussion

- The JFSP was created by Congress in 1998 as an interagency research, development, and applications partnership between the Department of the Interior and the Department of Agriculture.

- Funding priorities and policies are set by the JFSP Governing Board constituted of one representative each from the BIA, BLM, WS, NPS and the USGS, and five representatives from the USDA Forest Service.

- The JFSP uses an annual cycle of proposal solicitation, review and funding.

- The FMB does not believe that the existing Joint Fire Sciences Program is suited to quickly provide fire managers with the science that they may need to inform management decisions.

- To meet the immediate or short-term science needs of the fire operating programs, the FMB recommends carving out a small portion of funding in the Hazardous Fuels Reduction program and the Burned Area Rehabilitation program for this purpose.

- The FMB has also decided to fund a new position at the National Interagency Fire Center in Boise to serve as a liaison and coordinator between fire managers and the research community. The position would consult with fire managers to identify short-term science needs and, consult with the research community to determine if the required knowledge already exists or if new research is needed.

- The Joint Fire Sciences Program would continue to be funded as a separate line item.

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TRANSITION BUDGET ISSUES AND BACKGROUND MATERIALS

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PAYMENTS IN LIEU OF TAXES
BUREAU OVERVIEW
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	232.5	232.5	228.9	0.4	195.0	-33.9
Permanent	-	-	138.7	378.2	389.6	250.9
Total	232.5	232.5	367.6	378.6	584.6	217.0
FTE	1	1	1	1	1	0

Program Profile:

- Until 2004, PILT was administered by the Bureau of Land Management.
- Payments in Lieu of Taxes are Federal payments to local governments that help offset losses in property taxes due to nontaxable Federal lands within their jurisdiction. Federal entitlement lands include lands within the National Forest and National Park Systems, those managed by the Bureau of Land Management, those affected by Corps of Engineers and Bureau of Reclamation water resource development projects, and certain other Federal lands.
- A total of 1,852 counties receive these payments. The program is based on the concept that local governments incur costs associated with maintaining infrastructure on Federal lands, but are unable to collect taxes on these lands. Unlike other Federal payments that require local governments to use the funds for only specified activities, PILT payments may be used for any governmental purpose.
- Extensive support for PILT is received from counties and the National Association of Counties since PILT payments help local governments carry out vital services such as fire fighting, police protection, construction of public schools and roads, and search and rescue operations. In recent years funds have been used to construct county buildings, purchase police cruisers, and upgrade 911 emergency services.
- Payment amounts are determined by codified formulas (31 U.S.C. 6901-07) based on populations and a per acre formula that is calculated using the amount of eligible Federal land within an affected jurisdiction.
- Payments increase each year as PILT requires an annual inflation adjustment. Federal revenue transferred to local governments under other programs, such as income from the use of public lands for livestock grazing, timber harvests, and mineral receipts, are deducted from the receiving county's PILT payments.
- With the exception of Rhode Island, which has almost no Federal land, all states received PILT payments in 2008. The District of Columbia, Puerto Rico, Guam, and the Virgin Islands also received PILT payments.

Legislative Issues

- The Emergency Economic Stabilization Act of 2008 converted PILT to mandatory and authorized the program through 2012. The change in funding status requires additional payments of $138.7 million for 2008; counties will receive 58% more for 2008 than they received in 2007.

Strategic Plan

- The goal for the PILT program is:
  - Make distribution payments to eligible counties before July 1 in order to help local governments to better plan for PILT in preparation of their annual budgets.

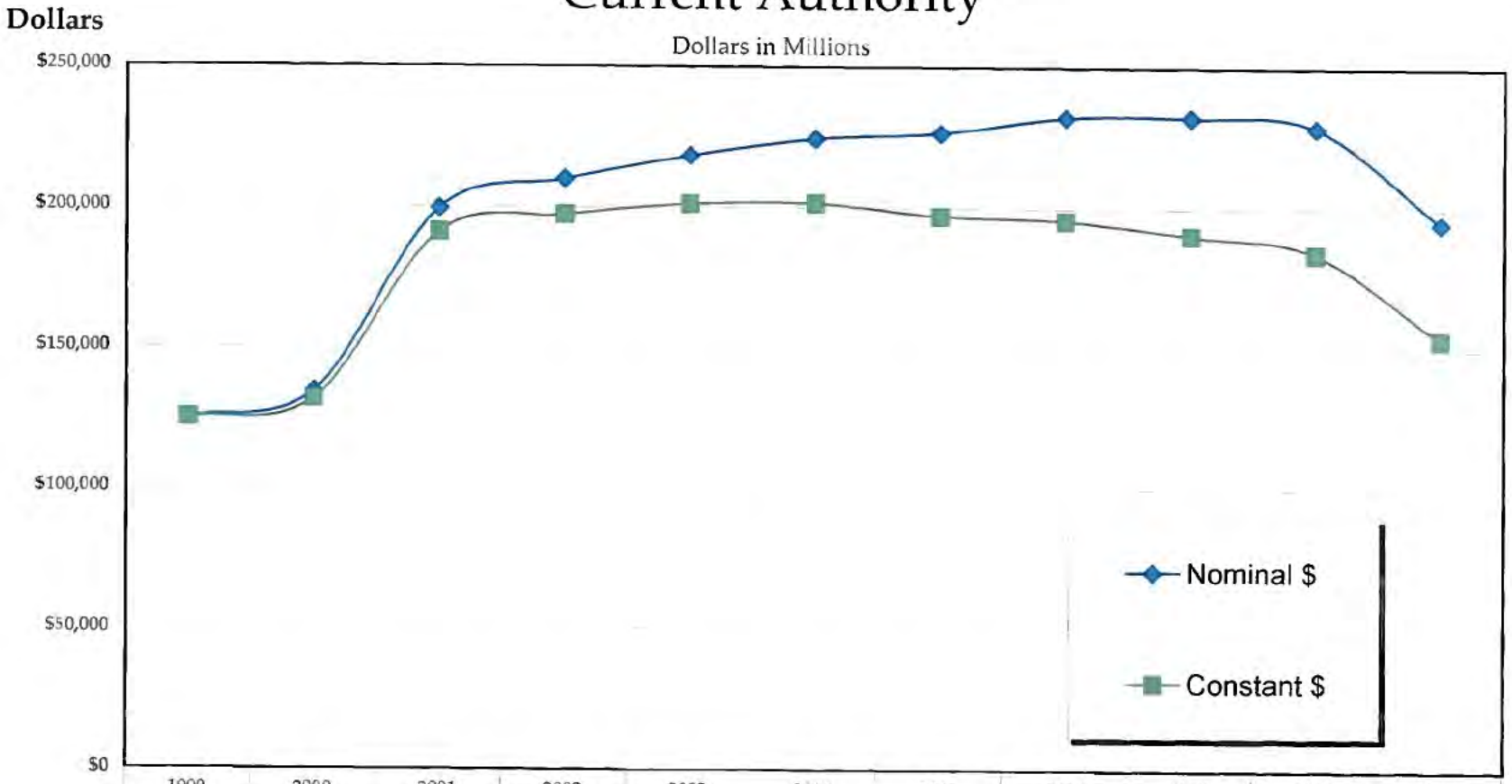
Current Issues

- The change in funding status with enactment of the Emergency Economic Stabilization Act of 2008 did not include a provision for program administration costs and legislation will be required to authorize expenditures for this purpose beginning in 2010.

- Since 2009 government operations are funded through a Continuing Resolution, Interior has the authority to incur program administration costs up to $169,356, which is 43.01% of the 2008 enacted level.

- Up until 2008, there was a provision in the appropriations act that allowed Interior not to pay county payments less than $100.00. The Emergency Economic Stabilization Act of 2008 did not include this exemption to making these small payments. The 2010 budget will need to include this exemption.

Payments in Lieu of Taxes
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	124,923	134,385	199,560	209,999	218,570	224,697	226,805	232,528	232,528	228,901	195,000
Constant $	124,923	131,724	191,099	197,317	201,299	201,692	197,262	195,760	190,652	184,120	153,748

PAYMENTS IN LIEU OF TAXES
BUDGET OVERVIEW

APPROPRIATION: Payments in Lieu of Taxes

Major Budget Trends:

- Since the inception of the PILT program in 1977, PILT funding has been subject to appropriation.
- The PILT budget increased by $104 million or 83 percent over the last 10 years in nominal dollars. In constant dollars this is an increase of 47 percent.
- The Emergency Economic Stabilization Act of 2008 converted PILT to mandatory and authorized the program through 2012.
- This authorizes mandatory funding at the full entitlement levels beginning in 2008. Full funding has not been provided since 1994.
- From 1995-2008, appropriations were not sufficient to fund full entitlement levels, as shown on the PILT Historical Table on the last page.
- The Emergency Economic Stabilization Act of 2008 requires that Interior make additional payments of $138.7 million in November 2008 in addition to the $228.5 million allocated in June 2008.
- In 2008, counties will receive 58% more for 2008 than they received in 2007.

2009 Budget

- The full entitlement level calculated by the formula set forth in statute will be funded in 2009.

PILT HISTORICAL TABLE BY FISCAL YEAR

FISCAL YEAR	BUDGET REQUEST TO CONGRESS	PILT APPROPRIATION 1/	AUTHORITY PURSUANT TO PILT LAW	ACTUAL PILT AMOUNT PAID	PRORATION PERCENT
FY-1977	100,000,000	100,000,000	99,885,486	99,885,486	99.2%
FY-1978	100,000,000	100,000,000	96,577,161	98,837,000	0.0%
FY-1979	105,000,000	105,000,000	100,368,072	87,554,523	0.0%
FY-1980	108,000,000	108,000,000	103,517,178	101,784,921	0.0%
FY-1981	103,000,000	103,000,000	103,504,846	103,417,726	0.0%
FY-1982	0	95,520,000	103,403,914	94,993,754	0.0%
FY-1983	45,000,000	96,320,000	101,774,863	95,868,300	0.0%
FY-1984	96,320,000	105,000,000	109,205,760	104,598,448	0.0%
FY-1985	105,000,000	102,900,000	104,101,977	101,093,318	77.3%
FY-1986	105,000,000	99,882,000	103,580,459	99,473,874	68.3%
FY-1987	105,000,000	105,000,000	105,441,564	104,586,493	99.2%
FY-1988	105,000,000	105,000,000	104,088,031	104,073,629	0.0%
FY-1989	105,000,000	105,000,000	103,863,677	103,854,065	0.0%
FY-1990	105,000,000	105,000,000	102,770,226	102,761,372	0.0%
FY-1991	105,000,000	104,448,000	100,092,381	100,092,381	0.0%
FY-1992	105,000,000	103,677,000	99,398,485	99,440,919	0.0%
FY-1993	105,000,000	104,108,000	103,205,555	103,205,555	0.0%
FY-1994	104,108,000	104,108,000	99,333,194	99,333,194	0.0%
FY-1995	104,108,000	101,409,000	130,551,702	100,989,910	77.3%
FY-1996	101,500,000	113,500,000	165,088,111	113,099,999	68.3%
FY-1997	101,500,000	113,500,000	212,021,988	113,072,000	53.3%
FY-1998	101,500,000	120,000,000	260,533,140	118,824,327	45.6%
FY-1999	120,000,000	124,923,000	303,693,024	124,580,977	41.0%
FY-2000	125,000,000	134,385,000	317,628,671	133,986,821	42.1%
FY-2001	135,000,000	199,560,000	338,602,782	199,160,880	58.8%
FY-2002	150,000,000	209,999,000	350,851,795	209,364,595	59.7%
FY-2003	165,000,000	218,570,000	324,107,726	218,172,589	67.3%
FY-2004	200,000,000	224,697,000	331,295,271	224,301,697	67.7%
FY-2005	226,000,000	226,804,730	331,971,069	226,410,287	68.2%
FY-2006	200,000,000	232,527,873	344,356,399	232,133,759	67.5%
FY-2007	198,000,000	232,527,873	358,293,428	232,133,759	64.7%
FY-2008	190,000,000	228,900,563	367,226,525	228,506,803	62.2%
FY-2008*	NA	138,693,152	NA	138,693,152	0.00%
FY-2009	195,000,000	367,593,715	TBD	367,199,955	

* ADDITIONAL PAYMENT AUTHORIZED BY THE 2008 EMERGENCY ECONOMIC STABILIZATION ACT OF 2008.

CENTRAL HAZARDOUS MATERIALS FUND
BUREAU OVERVIEW
(dollars in millions)

	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	9.7	9.7	9.8	9.8	10.1	0.3
Permanent	-	-	-	-	-	-
Total	9.7	9.7	9.8	9.8	10.1	0.3
FTE	shown in Departmental Management and bureau totals					

Bureau Profile

- The CHF supports program management, response actions, remedial investigations, feasibility and other advanced studies, and clean-ups at sites where a release of hazardous substances has occurred and for which the Department is the lead agency or for which it may be liable. The CHF funding may not be used to clean up releases of petroleum, solid waste, or State designated special wastes, such as asbestos or lead based paint, because these may not be Federal CERCLA hazardous substances.

- The most common sites are: abandoned hardrock mines and tailings, landfills, illegal disposal sites, old shooting ranges, and locations where past industrial or agri-chemical activities occurred.

- The management functions of the CHF were moved into the Department, specifically to the Office of Environmental Policy and Compliance (OEPC), in 2005. Within OEPC, the CHF is managed by a staff of three reporting directly to the Director, OEPC.

- Recent management improvements are the development of an Environmental Liability Database and standardized cost estimating tools. With the EDL the Department is inventory sites in a uniform manner. Lack of centralized consistent inventory had been identified as a weakness by the OIG.

- The CHF is an allocation account, also referred to as a parent/child account, where funds are appropriated centrally and then distributed to eligible bureaus. The bureaus that receive project funding are: BLM, FWS, NPS, BIA, BOR, and USGS. The CHF also funds staff in the Solicitor's office for legal advice and BOR and USGS for technical support.

Legislative Issues – None.

Strategic Plan

- The strategic goal for the CHF is within the Resource Protection quadrant. The current goal of acres remediated measures how the program enhances the protection of Interior's

interests, lands, resources, and facilities through its multi-bureau clean-up efforts, as well as by working closely with other agencies (e.g., EPA, state and tribal governments) that manage the response to, remediation and reuse of contaminated sites located on Interior managed lands.

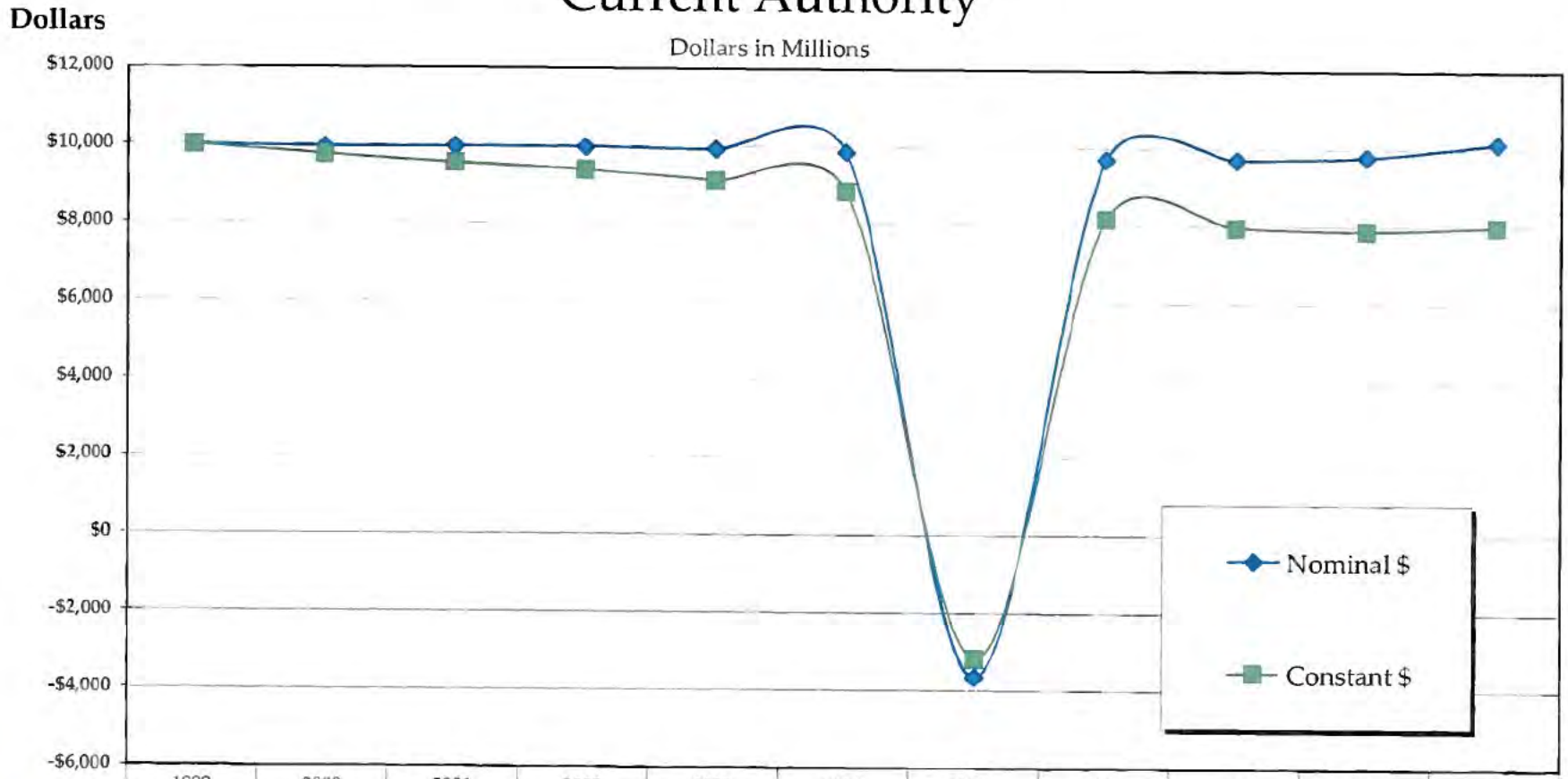
Current Issues

- The role and involvement of the CHF has changed significantly since the program's management was moved from the BLM to the Department. Initially the Department's focus was to develop a department-wide database to accurately and consistently identify environmental liabilities for financial statement purposes. This was an OIG concern.

- Now cost estimating tools are being developed to help project managers. This database is also being contemplated to address asbestos liability – a new financial statement requirement.

- Both the Inspector General and Senator Feinstein have expressed concern over the great number of AML sites. These sites can have both a safety and an environmental component. There is no central database that uniformly characterizes AML sites. BLM and NPS have separate databases. How or if these databases should be linked with or consolidated into the EDL has not been determined. A centralized database might help ensure that any AML funding is directed to the Department's highest priority needs.

Central Hazardous Materials Fund
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	10,000	9,955	9,978	9,978	9,913	9,855	-3,645	9,710	9,715	9,799	10,148
Constant $	10,000	9,758	9,555	9,375	9,130	8,846	-3,170	8,175	7,965	7,882	8,001

CENTRAL HAZARDOUS MATERIALS FUND
BUDGET OVERVIEW

Major Budget Trends

- The Central Hazardous Materials Fund's budget decreased $0.2 million or -2.0 percent over the last ten years. In constant dollars this is a decrease of $2.0 million or 25.0 percent. Management staffing has increased from 1 to 3 FTE. In 2005, unobligated balances collected from a large legal settlement, were rescinded and transferred to help fund the FBMS project.

- In addition to direct appropriations, the CHF has the authority to collect and retain certain funds received from Potentially Responsible Parties (PRPs) through legal settlements. From its inception in 1995 through 2008 the CHF has recovered approximately $32 million dollars from past cleanup activities. These funds have been "reused" to fund new CHF projects that would not have been able to be funded by appropriated dollars alone.

- From the inception of the CHF in 1995 through 2008, the Department has obtained an estimated $145 million from cost-shared, cost-recovered, and in-kind work contributed by other parties. The CHF would like to see additional authority through the appropriations process to retain civil penalties to fund remediation needs.

- Historically, the CHF annually addresses approximately 22% of the highest risk sites through clean-up activities or oversight. Bureau funds are used for smaller clean ups and to do necessary preliminary assessments and site investigations to determine if projects qualify for CHF funding. Historical data shows that the number of requests for CHF cleanup funds has increased approximately 20% each year.

FY 2009 Budget

- The 2009 budget provide requests $1 million in additional project funds. As the population of the West grows, residences are closer to public lands and more people are recreating on public lands. Remote hazardous sites are now not so remote.

- For example, in 2009 the Rand Mine Complex in southern California will begin extensive studies to evaluate cleanup at this popular recreation area. The site covers a large region with arsenic laden mine tailings that is in an area of old historic ghost towns and is heavily used for off-highway recreational activity. The Rand area has a local population of 30,000 that reside adjacent to the tailings. Arsenic is extremely toxic to humans and wildlife. The BLM, working with the State and local communities, is re-directing OVR recreation to safe areas and limiting access to tailings. BLM is also assessing health impacts on the local community.

- Extensive studies are needed to determine the best remediation processes and to develop reasonable cost estimates. It is known however that the costs of this project, about $135 million, will rival that of Crab Orchard NWR clean up in Illinois. In the short term, about $4.5 million is needed to complete the necessary studies. While the Office of the Solicitor and the Bureau of Land Management are exploring cost recovery with responsible parties, initial research does not indicate any viable candidates.

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION FUND
BUREAU OVERVIEW
(dollars in millions)

NRDAR	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	6.0	6.0	6.2	6.2	6.3	0.1
Permanent	73.8	71.9	114.0	54.0	54.0	(60.0)
Total	79.8	77.9	120.2	60.2	60.3	-59.9
FTE	shown in Departmental Management and bureau totals					

Bureau Profile

- As authorized by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund), the Clean Water Act (CWA), and the Oil Pollution Act of 1990 (OPA), injuries to natural resources that the Department of the Interior manages or controls are assessed, and appropriate restoration projects are identified in contemplation of negotiated settlements or legal actions (in rare cases) with potentially responsible parties. The NRDAR Restoration Program is the government's lead agency. Recoveries, in cash or in-kind services, from the potentially responsible parties are then legally required to be used to finance or implement the restoration of the injured resources, pursuant to a publicly reviewed restoration plan.

- The Departmental trustee bureaus conduct every damage assessment and restoration cases in partnership with co-trustees, and all restoration plans must undergo public review and be approved by affected State and Tribal governments.

- There are five trustee bureaus (NPS, FWS, BIA, BLM, and BOR). In addition to the five trustee bureaus, the Office of the Solicitor provides legal advice, USGS provides technical scientific support, and the Office of Policy Analysis provides economic analytical expertise to the Program at both national policy and individual case management levels. The Office of Environmental Policy and Compliance provides regional coordination support as well as a link to response and remedial activities associated with oil or chemical releases.

- Damage assessment activities are the critical first step taken on the path to achieving restoration of natural resources injured through the release of oil or hazardous substances. The nature and magnitude of injury must be identified, investigated, and understood if the resulting restoration is to be effective. The resulting physical and scientific evidence of natural resource injury then forms the basis for the Department's claim for appropriate compensation via restoration settlements

- Upon the successful conclusion of a damage assessment and achieving settlement, Departmental bureaus, working in partnership with other affected State, Federal, tribal and/or foreign co-trustees, use settlement funds to carry out restoration activities.

Legislative Issues – None.

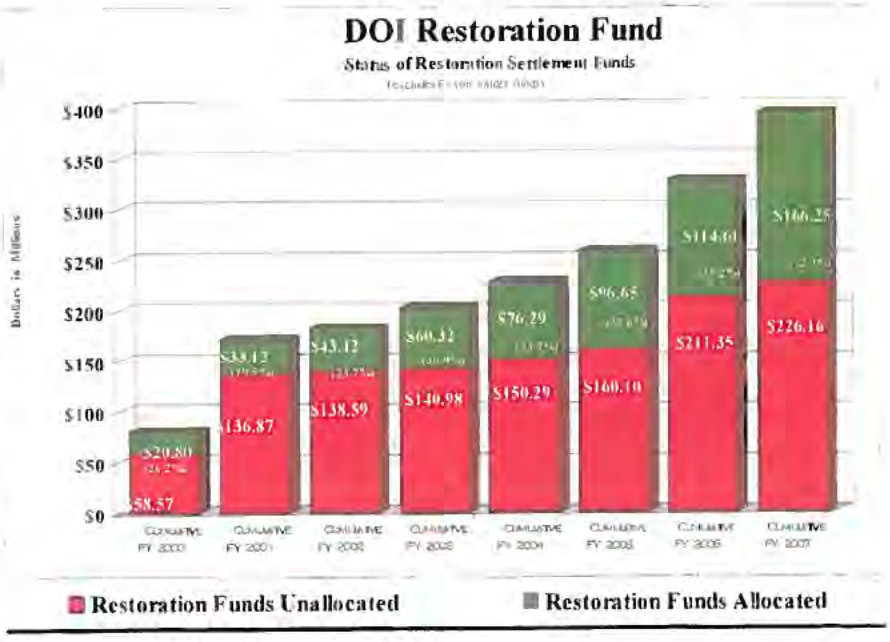
Strategic Plan

- The strategic goal for the Restoration Program is within the Resource Protection quadrant. The current goal of acres and stream miles remediated reflects the programs mission is to restore natural resources injured as a result of oil spills or hazardous substance releases into the environment. In partnership with other affected State, Tribal, and Federal trustee agencies, damage assessments provide the basis for determining the restoration needs that address the public's loss and use of these resources.

Current Issues

- In 2005, a FACA committee was formed to review the program. It basically validated the current approach of the program which is a restoration-based versus litigation and penalties and to coordinate restoration programs with the CERCLA response. The program recently completed regulations to incorporate these changes and will work with Trustees to develop guidance and tools to implement improvements.

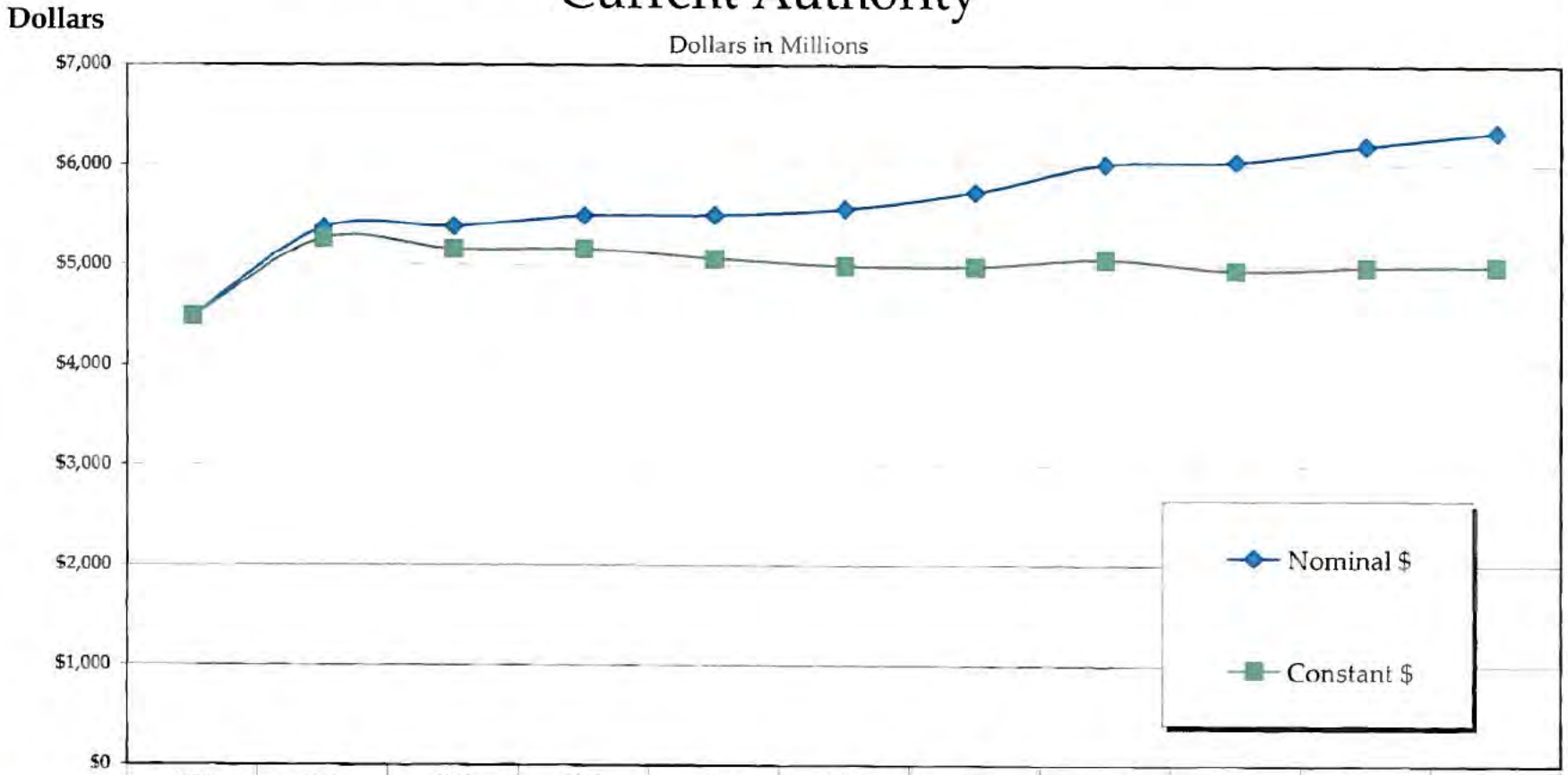
- The Restoration Program received modest increases in 2005 for staffing to improve the timeliness of initiating on-the-ground restoration work. Contracting assistance and restoration plan development and project costing tools were developed and provide to bureaus which has increased the allocation of restoration funds from 26.2% of available funds in 2000 to 42.4% in 2007.



- The Restoration Program funds staff in other bureaus that work full-time on its activities. Over the years, unfunded pay increases have eroded funding to only 75% of staffing costs. To maintain the success of the Restoration Program it is important that these staff

continue to work full-time on Restoration Program activities and not be diverted to bureau programs. This is a temptation in light of declining resources.

Natural Resource Damage Assessment Fund
Current Authority



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Nominal $	4,492	5,374	5,391	5,497	5,502	5,564	5,737	6,016	6,043	6,202	6,338
Constant $	4,492	5,268	5,162	5,165	5,067	4,994	4,990	5,065	4,955	4,989	4,997

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION FUND
BUDGET OVERVIEW

Major Budget Trends

- The Restoration Program's budget increased $1.7 million or 38.1 percent over the last ten years. In constant dollars this is a increase of $0.4 million or 11.1 percent. Management staffing has increased from 4 to 7 FTE.

- The Restoration Program's performance goals reflect continued progress funded with monies and in-kind actions recovered in settlement from responsible parties, and not appropriated funds. Appropriated funds are used to administer the program and provide technical support. There is roughly $240 million in settlement funds currently in the DOI Restoration Fund that should allow the program to continue moving forward towards its long term restoration goals.

FY 2009 Budget

- A program increase of $22,000 for increased costs associated with budget and financial management of settlement funds. Currently one budget staff manages settlement funds of over $240 million and almost $7 million in discretionary funds.

FINANCIAL AND BUSINESS MANAGEMENT SYSTEM
PROGRAM OVERVIEW
(dollars in millions)

FBMS	2004	2005	2006	2007	2008	2009 CR	2009 Request	2009 Req. to 2008 Enacted
Current	11.6	14.7	22.2	22.2	41.7	41.7	73.4	31.7
Other	6.2	24.0	33.0	36.0	17.5	11.9	10.4	(7.1)
Total	17.8	38.7	55.2	58.2	59.2	53.6	83.8	24.6
FTE	shown in Departmental Management and bureau totals							

Program Profile

- The Financial and Business Management System – acronym FBMS – will replace more than 80 legacy accounting, property, acquisition, budget formulation, travel, financial assistance (grants), and enterprise management information systems throughout Interior. The aged financial systems that are in use are no longer supported by the vendors.

- Once fully deployed, FBMS will standardize the platform for all bureaus and multiple offices, will be able to communicate across bureaus, provide consolidated information for Departmental managers, expedite the reconciliation of financial processes between bureaus, improve Interior's security posture, enhance financial management, and improve reporting.

- This integrated system allows one-time data entry for procurement, financial transactions, property, and reporting and will also eliminate duplicative efforts of multiple staffs and improve accountability.

- Currently, the Minerals Management Service and Office of Surface Mining are running their accounting services, financial assistance, and acquisition on FBMS.

- The deployment to the Bureau of Land Management in the fall of 2008 is a key event, as this is the first deployment to a bureau operating on the Federal Financial System. BLM is a programmatically and financially complex bureau with a decentralized geographic operating model. BLM is the first bureau to be deployed with extensive property and fleet assets, and BLM currently uses the fixed asset component within the Federal Financial System to account for these assets.

- Over the course of the next five years (through 2012), the Department's bureaus and offices will migrate to the system. The development of this integrated platform requires investments in skills and knowledge, operations support and infrastructure, and a unified approach to data management that will be used by all bureaus and offices.

Background

- Planning for an enterprise-wide business system began in the late 1990s with extensive planning leading up to the establishment of the FBMS Project Management Office in 2003.

- In January of 2004 a system integrator was hired to implement the solution.

- Working with the first integrator, Interior developed a global blueprint of standardized business practices and implemented the first phase, an automated grants management system that standardizes processing and reporting, including compliance with the Federal Funding Accountability and Transparency Act. The grants module was implemented at MMS, OSM and a portion of FWS.

- In September 2005, Interior severed its relationship with the system integrator. In the Spring of 2006, the current systems integrator was hired.

- Eight months later, in November 2006, the second deployment was completed, which provided core financials to MMS and OSM, initial interfaces with the financial assistance component and substantial data warehouse functionality.

- After a full year of operation, in the fall of 2007, OSM and MMS successfully closed FY 2007 and opened FY 2008. The FY 2007 financial audits for OSM and MMS were completed with an unqualified opinion and no material weaknesses.

- In November 2007, the acquisition component of the FBMS solution went into production for MMS and OSM, providing an integrated requisition to payment solution and aspects of centralized document management. These two bureaus were able to retire two instances of the enterprise procurement system and four other systems.

- In November 2008, grants, core financial, and acquisition functionality will be deployed to BLM. Portions of personal property, fleet E-gov travel, and eCommerce will be implemented.

Current Issues

- The next scheduled deployment was to be USGS in the fall of 2009. As the 2009 Continuing Resolution did not fund the requested budget increase, the USGS deployment is now delayed until the fall of 2010.

- Beyond 2010, the project will continue to be implemented incrementally, adding bureaus and functionality. FBMS is scheduled to be fully implemented in 2014 with a full product lifetime lasting until 2030.

- The project has substantial support from OMB and the Interior appropriations subcommittees.

- The delays caused by the CRs over the last several years have resulted in delays in the project and increased costs.

- The total project cost is $907 million. Through 2008, a total of $233 million has been expended.

USDOI Financial and Business Management System (FBMS)
- History of Funding -

	FY 2004 Enacted	FY 2005 Enacted	FY 2006 Enacted	FY 2007 Enacted	FY 2008 Enacted	2009 CR	FY 2009 Request
Appropriations	11.624	14.707	22.220	22.236	41.669	41.669	73.435
Interior	11.624	14.707	22.220	22.236	40.092	40.092	73.435
Energy&Water					1.577	1.577	
Franchise Funds							
Deployment	6.000	11.000	11.000	8.000			
Hosting			7.500				
Charge Card Rebates							
Deployment/Planning	0.200	3.500	3.000	3.000	5.000	5.000	3.000
Property Implementation					1.500		
Bureau Implementation Support							
BLM		1.051	0.620				
OSM		0.155	0.566	0.532	0.080		
MMS		0.307	0.285	0.167			
USGS					1.000		
FWS		0.084					
Bureau Funding - Change Requests		**2.000**			**1.200**	**1.200**	**1.200**
BLM		0.300			0.180	0.180	0.180
MMS		0.040			0.025	0.025	0.025
OSM		0.040			0.025	0.025	0.025
BOR		0.300			0.180	0.180	0.180
USGS		0.300			0.180	0.180	0.180
FWS		0.300			0.180	0.180	0.180
NPS		0.300			0.180	0.180	0.180
BIA		0.300			0.180	0.180	0.180
SOL		0.040			0.025	0.025	0.025
OST		0.040			0.025	0.025	0.025
OS		0.040			0.025	0.025	0.025
Bureau Funding -Other							
BLM				2.200			
NPS				2.000			
WCF - Redirection of Legacy Systems Maintenance Funds for Hosting							
FFS/IDEAS		5.862	5.604	4.800	5.000	5.000	5.000
MMS					0.477	0.477	0.477
OSM					0.252	0.252	0.252
BLM							0.418
WCF - Reprogramming			0.376	6.082	3.000		
WCF Recoveries				1.916			
Prior-Year Recoveries (Contract)			4.000	7.314			
Subtotal of Funding Before Carryover	**17.824**	**38.666**	**55.171**	**58.247**	**59.183**	**53.603**	**83.787**

Overall Timeline and Scope

(Notional – based on funding increase received in FY10) as of 10/14/08

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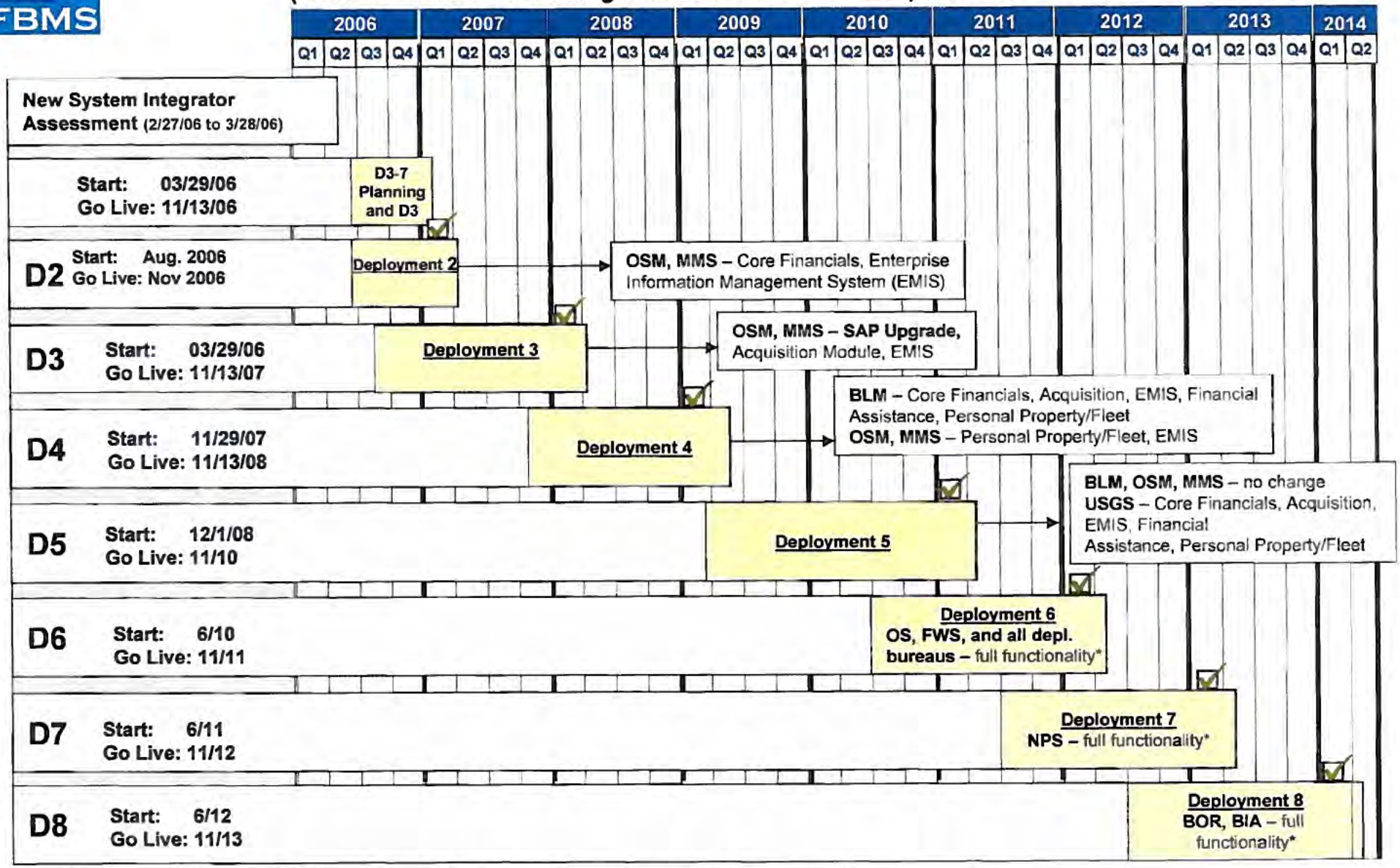

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* **Budget Formulation** – solution to be determined. **PCS**: determination of total solution will dictate deployment timetable.

* **Full Functionality** = Core Financials, Acquisition, Financial Assistance, Real Property, Budget Formulation, eTravel, eCommerce, eInvoicing, fully integrated Document Management, Enterprise Management Information System (EMIS), Personal Property/Fleet – fully expanded from Deployment 4 functionality/scope level

INTERIOR FRANCHISE FUND
PROGRAM OVERVIEW

(Dollars in Millions)

	FY 2006	FY 2007	FY 2008	FY 2009
Total Revenue	$1,378.9	$1,102.4	$789.9	$1,135.2
Total Contractual Expenses	1,331.5	1,065.2	758.0	1,100.0
Gross Income	47.4	37.2	31.9	35.2
Total Expenses	45.4	34.7	24.7	35.2
Net Income	2.0	2.5	7.2	0.0
Total Equity (Reserves)	28.6	10.2	4.5	10.1

Background

- In March 1996, the Department of the Interior received approval from the Office of Management and Budget (OMB) to serve as one of six franchise fund pilots authorized by the Government Management Reform Act of 1994.

- The Interior franchise fund (IFF) was established in the 1997 Interior and Related Agencies Appropriations Act. The Act authorized the use of the Franchise Fund earnings for capital equipment; data processing systems, financial management and management information systems, and administrative support services. The IFF also provides administrative support services to DOI and other federal clients on a cost competitive basis. The FY 2008 Appropriations Act provided permanent authorization for the IFF.

- Initially, the IFF offered acquisition services through the GovWorks organization and film and audiovisual services, both of which were managed by the Minerals Management Service (MMS). Selected services of the National Business Center (NBC) also participated in the IFF.

- In 2002, responsibility for management of the IFF was delegated to MMS and the NBC discontinued use of the IFF.

- In October 2005, GovWorks was merged with the NBC in order to consolidate acquisition services.

- Acquisition Services (formerly GovWorks) generates contracts of more than $1 billion annually resulting in net revenue of approximately $30 million annually. This has allowed GovWorks to establish operating reserves, and consistent with franchise fund authority, a portion of the retained earnings (approximately $50 million) have been used for the Financial and Business Management System. Resources devoted to FBMS are presented below:

($ in Millions)

FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total
$11.0	$11.0	$20.5	$8.0	$0.0	$50.5

- The FY 2009 President's budget proposed to move all NBC lines of business to the IFF to enhance consistency in the management of NBC's business lines. This consolidation has been postponed until FY 2010.

WORKING CAPITAL FUND
PROGRAM OVERVIEW
(dollars in millions)

	2006 Actual	2007 Actual	2008 Actual [1]	2009 CR	2009 Request	Change From 2008 Enacted
Office of the Secretary – Centralized Bill	$66.2	$75.1	$81.4	$80.1	$86.5	+$5.1
Office of the Secretary – Direct Bill	74.8	71.0	71.1	71.1	58.8	-12.3
National Business Center – Centralized Bill	94.0	99.2	105.0	106.3	112.7	+7.7
National Business Center – Direct Bill	371.5	216.4	223.3	223.3	234.2	+10.9
Office of the Secretary – Financial and Business Management System	0.0	0.0	40.1	40.1	73.4	+33.3
Total	**606.5**	**461.7**	**520.9**	**520.9**	**565.6**	**+44.7**

[1] Reflects 2008 Centralized Bill Reprogramming

Major Budget Trends:

- In 2008 funding for development and deployment of the Financial and Business Management System (FBMS) was requested in, and appropriated to, the Working Capital Fund. Funding is requested again to be appropriated to the WCF for FBMS in FY 2009.

Background:

- The Department of the Interior's Working Capital Fund was established pursuant to 43 U.S.C. 1467, in 1950, to provide common administrative and support services efficiently and economically on a reimbursable basis to Interior's bureaus and offices as well as other federal agencies.

- The WCF is used to finance reimbursable activities including centralized services provided by Departmental offices and the National Business Center (NBC). Fiduciary responsibility for the Fund rests with the Assistant Secretary – Policy, Management, and Budget. Direct oversight and management of the Fund is conducted by the Office of Budget.

- The Working Capital Fund Consortium, established in 2003 and chaired by the Deputy Assistant Secretary – Budget and Business Management, is comprised of senior level bureau officials. The Consortium reviews and approves policies and procedures, including which services and initiatives are financed through the Fund, the level of production, and pricing methodologies. The Consortium also reviews and approves budget changes and provides oversight for the operation of the Fund. The funding levels presented in the budget are the result of this review process, as they must receive approval from the Consortium.

- Centralized Billing is used whenever the product or service being provided is not severable or it is inefficient to bill for the exact amount of product or service being procured. Customers are billed each year using a pre-established fixed price. The price is adjusted from year-to-year based on a review of the costs of providing services and customer consumption. Items included in the central bill include: DOI library services; the DOI Alaska Field Office; the DOI Travel Management Center; and the various e-Government initiatives.

- Direct Billing is used whenever the product or service provided is severable and individual customer orders are used. Bureaus and offices adjust budget requests based on their estimates of service levels required and requested through the direct billing. Example of direct bill items include: Microsoft Enterprise Licenses, and rent, security services and operations and maintenance of space that is controlled by DOI headquarters.

- Beginning in 2008, the Financial and Business Management System (FBMS) was budgeted in the Working Capital Fund consistent with other enterprise investments. The 2008 appropriation provided $40.1 million to the Working Capital Fund, and the 2009 budget requests $73.4 million, an increase of $33.3 million for additional deployments that will eventually allow the Department to retire duplicative legacy systems currently in operation.

2009 Budget:

- In 2009, the Fund will finance the production of nearly $565.6 million worth of goods and services, an increase of $44.7 million over the $520.9 million 2008 level. The level includes only those funds provided for the goods and services produced by the Office of the Secretary and the NBC. The Department's decision to deliver many IT services such as Internet and intranet access at the enterprise level, in addition to investing in the security of existing IT hardware and software, are the primary factors driving the increase.

- The 2009 centralized billing for Secretarial activities is $86.5 million, an increase of $5.1 million over the 2008 level.

- The 2009 centralized billing for the NBC is $112.7 million, an increase of $7.7 million over the 2008 level.

DEPARTMENT OF THE INTERIOR
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TRANSITION BUDGET ISSUES AND BACKGROUND MATERIALS

NOVEMBER 2008

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U.S. Department of the Interior
Facilities Asset Management
($ millions)

	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request	09 Change from 08
Construction	411	455	730	792	738	750	685	642	626	462	363	-99
Maintenance	638	658	796	792	850	893	947	954	960	1,026	1,065	+40

Key Points:

- **The Department of the Interior invests over $1.4 billion in new construction and maintenance/rehabilitation projects annually through the Capital Planning and Investment Control (CPIC) process.**
- **DOI owns and operates over 163,000 buildings and structures, 123,000 miles of roads, and a wide variety of other constructed assets. These facilities serve nearly 464 million visitors annually. The value of these assets is measured in billions of dollars. Many are considered priceless for their historical significance.**
- **The CPIC process is designed to ensure that the portfolio of construction projects adequately addresses DOI's mission and goals, and is managed to achieve the expected benefits with accurate and complete cost, schedule, technical, and performance baselines.**
- **The Department issues guidance on an annual basis (Attachment G) for the bureaus to propose 5-year capital improvement and deferred maintenance plans that prioritize projects with an emphasis on health and safety needs. This ensures a disciplined, consistent, prioritized inventory of maintenance and construction funding projects that are the basis for the budget request.**

Background:

- The Department submits 5-year plans for capital improvement and deferred maintenance projects for BLM, BIA, FWS, NPS, Reclamation and USGS as part of the President's Budget submission to Congress.
- This process ensures consistency, discipline and priorities will be addressed through construction and maintenance programs. Rather than focusing on a backlog number, bureaus are focusing on FCI indices to determine facility condition.

Federal Real Property Profile (FRPP):

- The FRPP is a comprehensive and descriptive database of all real property under the custody and control of all executive branch agencies and is maintained by GSA in accordance with the Executive Order 13327 of 2004 on Federal Real Property Asset Management.

- The FRPP includes summary data for Interior's inventory of land, building, and structure assets that is updated as of September 30th each year.
- Bureaus are using FRPP data to determine that its own inventory of assets is up-to-date, which will assist managers with decision-making because reports can be generated which display the bureau's assets through different filters, eg. assets by region and assets ready for disposal.

Capital Planning and Investment Control (CPIC) Process:

- The DOI Capital Planning and Investment Control process provides for the annual cycle of selection, continuous control, life cycle management, and evaluation of construction investments.
- The Clinger-Cohen Act of 1996 (CCA) requires that acquisition, planning and management of technology must be treated as a "capital investment." All facets of capital planning are taken into consideration just as they would be in private industry, including cost/benefit ratio analysis, expected life, and flexibility and possibilities for multiple uses.
- The DOI construction CPIC process ensures that DOI's investments are supported by a strong business case, are based on objective criteria and support the mission and goals of the bureau, Department and the Federal government.
- Investment decisions are based on a review process at the Department and bureau level.
- Business cases are submitted to OMB to support the budget. Detailed project sheets are included for projects >$100,000.
- Interior uses a quarterly progress report for all projects and evaluates the variance and change for projects.
- Interior's CPIC process is designed to focus asset management budgetary resources on those assets that are the most critical to mission accomplishment and are in the greatest need of repair or replacement. Interior does this by assigning both an Asset Priority Index (API) that indicates the importance of that asset to the bureau's mission and a Facility Condition Index (FCI) that indicates the deferred maintenance need of the asset.
- Since 2002, BIA Education Construction funding has resulted in the initiation of 74 projects, including 32 replacement school projects, three replacement facilities projects, and 39 major facilities and repair projects. Of these, 24 will be completed by end of calendar year 2008.
- The NPS asset management process used to be focused on President Bush's commitment to invest $4.9 billion over five years to reduce the park maintenance backlog.
- Bureaus are no longer focusing on backlogs, but use a prioritization process and the Facilities Condition Index (FCI) and the Asset Priority Index (API) to assist in directing the Department's limited resources to high priority assets, reducing accumulated deferred maintenance for DOI facilities, and sustaining the long-term mission delivery capability of its asset portfolio.

Construction
Bureau Details
($000)

Bureau of Land Management

Construction	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request	09 Change from 08
Line-item Projects and Architecutral and Engineering Services	10,997	11,196	16,823	13,076	11,898	13,803	11,340	11,750	11,751	6,375	4,476	-1,899

Fish and Wildlife Service

Construction	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request	09 Change from 08
Line Item Construction	43,221	45,051	61,033	41,856	42,168	47,340	40,507	34,471	34,448	22,185	1,978	-20,207
Core Engineering Services	4,794	5,229	5,789	6,306	5,928	6,184	6,032	5,813	5,879	6,128	4,631	-1,497
Cost-Allocation Methodology (CAM)				3,000	2,981	3,019	3,107	2,420	2,456	2,419	2,456	+37
Seismic Safety Program	351	348	180	180	199	198	197	128	100	118	120	+2
Environmental Compliance Management	1,097	1,860	1,856	1,856	1,391	1,630	1,380	985	1,000	984	1,000	+16
Dam Safety Program and Inspections	495	545	569	650	700	721	720	709	717	689	717	+28
Bridge Safety Program and Inspections	495	495	545	545	557	568	567	562	570	541	569	+28
Waste Prevention, Recycling, & Enviro.				150	149	148	148	128	130	98	100	+2
Demolition Fund			1,386	1,000								
NWRS & NFHS.Visitor Enhancements									[8,000]	[2,953]	[0]	[-2,953]
Fixed Cost Increase											663	+663
TOTAL APPROPRIATION	**50,453**	**53,528**	**71,358**	**55,543**	**54,073**	**59,808**	**52,658**	**45,216**	**45,300**	**33,162**	**12,234**	**-20,928**

Construction
Bureau Details
($000)

National Park Service

Construction	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request	09 Change from 08
Line Item Construction & Maintenance	**154,461**	**151,486**	**199,944**	**276,339**	**216,694**	**214,295**	**189,748**	**214,890**	**180,621**	**122,538**	**90,161**	-32,377
Special Programs	**30,083**	**22,940**	**31,870**	**35,410**	**45,346**	**51,023**	**51,395**	**38,093**	**43,896**	**25,404**	**24,991**	-413
Emergency/Unscheduled	3,000	3,500	3,493	3,500	3,477	5,432	3,944	2,956	3,290	3,239	2,975	*-264*
Housing Replacement	11,681	**0**	4,989	12,500	9,935	7,901	7,889	6,897	6,897	4,996	5,000	*+4*
Dam Safety	0	1,440	1,437	2,700	2,682	2,667	2,662	2,623	2,626	2,585	2,500	*-85*
Equipment Replacement	15,402	18,000	21,951	17,960	31,752	35,023	36,900	25,617	31,083	14,584	14,516	*-68*
Construction Planning	**16,370**	**20,440**	**25,223**	**25,400**	**25,235**	**24,179**	**20,925**	**19,632**	**19,632**	**17,084**	10,100	-6,984
Construction Program Mgmt. and Operation	**17,100**	**17,100**	**17,063**	**17,405**	**24,631**	**27,128**	**26,984**	**27,691**	**39,842**	**40,215**	34,552	-5,663
General Management Planning	**7,725**	**9,225**	**11,201**	**11,240**	**13,806**	**13,255**	**13,128**	**13,552**	**13,491**	**13,281**	13,292	+11
Recission of Prior Year Balances										-8,112	-637	+7,475
TOTAL APPROPRIATION	**225,739**	**221,191**	**285,301**	**365,794**	**325,712**	**329,880**	**302,180**	**313,858**	**297,482**	**218,522**	**173,096**	**-45,426**

Bureau of Indian Affairs

Construction	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request	09 Change from 08
Education	60,400	105,377	292,341	292,503	293,795	294,954	263,372	206,787	204,956	142,935	115,376	-27,559
Public Safety and Justice	5,550	5,537	5,529	5,541	5,013	4,983	7,381	11,604	11,605	14,393	11,433	-2,960
Resources Management	49,620	50,573	50,534	50,645	38,918	38,678	40,289	45,099	45,125	38,309	37,306	-1,003
General Administration	7,851	8,095	8,214	8,443	8,262	8,212	8,087	8,092	10,137	8,117	9,146	+1,029
TOTAL APPROPRIATION	**123,421**	**169,582**	**356,618**	**357,132**	**345,988**	**346,827**	**319,130**	**271,582**	**271,823**	**203,754**	**173,261**	**-30,493**

TOTAL CONSTRUCTION FOR BLM, FWS, NPS AND BIA	**410,610**	**455,497**	**730,100**	**791,545**	**737,671**	**750,318**	**685,308**	**642,406**	**626,356**	**461,813**	**363,067**	**-98,746**

MAINTAINING AMERICA'S HERITAGE
(in $000's)

Bureau/Account	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request
MAINTENANCE											
Bureau of Land Management											
Management of Land and Resources [1]	41,760	45,951	73,875	77,603	82,786	81,533	77,813	76,646	70,368	74,790	62,109
Oregon and California Grant Lands [2]	9,954	10,032	10,801	10,904	10,887	10,777	10,619	10,742	10,782	10,919	10,933
National Landscape Conservation System											1,754
Subtotal, BLM	51,714	55,983	84,676	88,507	93,673	92,310	88,432	87,388	81,150	85,709	74,796
U.S. Geological Survey											
Surveys, Investigations, and Research	24,960	27,830	33,283	36,335	34,540	33,771	33,204	32,728	32,629	37,455	32,957
Fish and Wildlife Service											
Resource Management	53,639	61,642	91,515	93,876	114,379	119,029	153,830	153,737	154,366	158,603	156,644
National Park Service											
Operation of the National Park System	411,163	432,556	485,311	480,972	519,970	559,211	582,739	592,578	603,693	656,692	712,184
Bureau of Indian Affairs											
Operation of Indian Programs	91,254	70,482	71,077	72,433	75,392	76,934	76,695	79,553	80,465	80,967	82,405
Department-wide Program											
Wildland Fire Management	5,025	9,270	29,934	19,774	12,294	12,221	12,202	7,734	7,734	6,137	6,137
Subtotal, Maintenance	**637,755**	**657,763**	**795,796**	**791,897**	**850,248**	**893,476**	**947,102**	**953,718**	**960,037**	**1,025,563**	**1,065,123**
CONSTRUCTION											
Bureau of Land Management	10,997	11,196	16,823	13,076	11,898	13,804	10,340	11,750	11,751	6,375	4,476
Fish and Wildlife Service	50,453	53,528	89,058	43,843	54,073	59,808	41,158	45,216	45,300	33,162	12,180
National Park Service [3]	225,739	221,191	315,301	388,418	328,212	356,880	294,726	315,858	297,482	218,522	172,459
Bureau of Indian Affairs	123,421	169,582	356,618	357,132	345,988	346,827	311,787	275,925	271,823	203,754	173,261
Subtotal, Construction	410,610	455,497	777,800	802,469	740,171	777,319	658,011	648,749	626,356	461,813	362,376
Total, Department of the Interior	**1,048,365**	**1,113,260**	**1,573,596**	**1,594,366**	**1,590,419**	**1,670,795**	**1,605,113**	**1,602,467**	**1,586,393**	**1,487,376**	**1,427,499**
TOTALS BY BUREAU											
Bureau of Land Management	62,711	67,179	101,499	101,583	105,571	106,114	98,772	99,138	92,901	92,084	79,272
U.S. Geological Survey	24,960	27,830	33,283	36,335	34,540	33,771	33,204	32,728	32,629	37,455	32,957
Fish and Wildlife Service	104,092	115,170	180,573	137,719	168,452	178,837	194,988	198,953	199,666	191,765	168,824
National Park Service	636,902	653,747	800,612	869,390	848,182	916,091	877,465	908,436	901,175	875,214	884,643
Bureau of Indian Affairs	214,675	240,064	427,695	429,565	421,380	423,761	388,482	355,478	352,288	284,721	255,666
Department-wide Program, Wildland Fire	5,025	9,270	29,934	19,774	12,294	12,221	12,202	7,734	7,734	6,137	6,137
Total, Department of the Interior	**1,048,365**	**1,113,260**	**1,573,596**	**1,594,366**	**1,590,419**	**1,670,795**	**1,605,113**	**1,602,467**	**1,586,393**	**1,487,376**	**1,427,499**
Bureau of Reclamation											
Line Item Construction											124,715

[1] *In the 2009 President's Budget $1.696 million is shifted into the new National Landscape Conservation System budget activity*

[2] *In the 2009 President's Budget $58,000 is shifted into the new National Landscape Conservation System budget activity*

[3] *In 2007 Construction totals include supplementals*

Cooperative Conservation Program

($000's)

Program	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request	2010 Recommend
Challenge Cost Share												
Bureau of Land Management (CCS)				8,973	8,882	8,769	7,396	9,357	9,357	9,309	9,199	9,199
Bureau of Land Management (CCI)					5,000	7,408						
Fish and Wildlife Service (CCS)					2,981	5,927	4,339	4,280	4,280	6,593	6,593	6,593
Fish and Wildlife Service (CCI)					1,864	3,827						
National Park Service (CCS)	1,842	1,991	4,980	6,980	4,967	7,871	7,343	4,843	2,380	2,343	2,343	2,343
National Park Service (CCI)					6,935	6,852						
Subtotal	**1,842**	**1,991**	**4,980**	**15,953**	**30,629**	**40,654**	**19,078**	**18,480**	**16,017**	**18,245**	**18,135**	**18,135**
Healthy Lands Initiative												
Bureau of Land Management									3,000	4,922	14,922	14,922
U.S. Geological Survey										1,477	4,977	4,977
Fish and Wildlife Service										1,476	1,968	3,968
Endangered Species - Candidate Conservation										[492]	[492]	[2,492]
Endangered Species - Consultation										[492]	[492]	[492]
Partners for Fish and Wildlife										[246]	[738]	[738]
National Fish Habitat Action Plan										[246]	[246]	[246]
Subtotal									**3,000**	**7,875**	**21,867**	**23,867**
Fish and Wildlife Service												
Coastal Program	7,101	8,631	9,342	11,299	11,021	10,186	11,740	12,954	13,477	14,054	13,210	13,210
Migratory Bird Jt Venture	3,185	3,226	5,511	6,999	7,369	10,225	10,232	10,800	10,873	10,893	14,883	17,383
Partners for Fish & Wildlife	28,006	30,523	36,512	36,596	37,825	42,401	47,534	50,151	45,838	50,135	48,022	48,022
Open Rivers Initiative										[6,000]		
Fish Passage Base & Open Rivers Initiative					2,970	3,792	3,639	3,646	5,000	10,828	4,921	4,921
Nat'l Fish Hab. Action Plan								985	2,985	5,153	5,153	5,153
Subtotal	**38,292**	**42,380**	**51,365**	**54,894**	**59,185**	**66,604**	**73,145**	**78,536**	**78,173**	**91,063**	**86,189**	**88,689**
FWS Conservation Grant Programs												
Highlands									1,980	1,723		2,000
Landowner Incentive Program				40,000	39,740	29,630	21,694	21,667	23,667			
Private Stewardship Grants				10,000	9,935	7,408	6,903	7,277	7,277			
N. A. Wetlands Conserv. Fund	15,000	14,957	39,912	43,500	38,309	37,532	37,472	39,412	39,412	41,981	42,647	42,647
Neotropical Migratory Birds				3,000	2,981	3,951	3,944	3,941	3,941	4,430	3,960	6,500
Coop End. Species Conserv. Fun	14,000	23,000	104,694	96,235	80,473	81,596	80,462	80,001	81,001	73,831	75,501	75,501
State and Tribal Wildlife Grants			49,890	59,800	64,577	69,137	69,028	67,492	67,492	73,830	73,830	73,830
Subtotal	**29,000**	**37,957**	**194,496**	**252,535**	**236,015**	**229,254**	**219,503**	**219,790**	**224,770**	**195,795**	**195,938**	**200,478**
Departmental Management												
Take Pride in America						494	490	493	495	505	505	514
T	**69,134**	**82,328**	**250,841**	**323,382**	**[illegible]829**	**337,006**	**312,216**	**317,299**	**322,455**	**313,483**	**322,634**	**331,683**

399

Cooperative Conservation Program

($000's)

Program	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Request	09 Change from 08
Challenge Cost Share												
Bureau of Land Management (CCS)				8,973	8,882	8,769	7,396	9,357	9,357	9,309	9,199	-110
Bureau of Land Management (CCI)					5,000	7,408						
Fish and Wildlife Service (CCS)					2,981	5,927	4,339	4,280	4,280	6,593	6,593	0
Fish and Wildlife Service (CCI)					1,864	3,827						
National Park Service (CCS)	1,842	1,991	4,980	6,980	4,967	7,871	7,343	4,843	2,380	2,343	2,343	0
National Park Service (CCI)					6,935	6,852						0
Subtotal	**1,842**	**1,991**	4,980	**15,953**	**30,629**	**40,654**	**19,078**	**18,480**	**16,017**	**18,245**	**18,135**	-110
Healthy Lands Initiative												
Bureau of Land Management									3,000	4,922	14,922	+10,000
U.S. Geological Survey										1,477	4,977	+3,500
Fish and Wildlife Service										1,476	1,968	+492
Endangered Species - Candidate Conservation										[492]	[492]	0
Endangered Species - Consultation										[492]	[492]	**0**
Partners for Fish and Wildlife										[246]	[738]	[492]
National Fish Habitat Action Plan										[246]	[246]	0
Subtotal									**3,000**	**7,875**	**21,867**	**13,992**
Fish and Wildlife Service												
Coastal Program	7,101	8,631	9,342	11,299	11,021	10,186	11,740	12,954	13,477	14,054	13,210	-844
Migratory Bird Jt Venture	3,185	3,226	5,511	6,999	7,369	10,225	10,232	10,800	10,873	10,893	14,883	+37,129
Partners for Fish & Wildlife	28,006	30,523	36,512	36,596	37,825	42,401	47,534	50,151	45,838	50,135	48,022	
Open Rivers Initiative										[6,000]		[-6,000]
Fish Passage Base & Open Rivers Initiative					2,970	3,792	3,639	3,646	5,000	10,828	4,921	-5,907
Nat'l Fish Hab. Action Plan								985	2,985	5,153	5,153	0
Subtotal	**38,292**	**42,380**	**51,365**	**54,894**	**59,185**	**66,604**	**73,145**	**78,536**	**78,173**	**91,063**	**86,189**	**-4,874**
FWS Conservation Grant Programs												
Highlands									1,980	1,723		-1,723
Landowner Incentive Program				40,000	39,740	29,630	21,694	21,667	23,667			0
Private Stewardship Grants				10,000	9,935	7,408	6,903	7,277	7,277			0
N. A. Wetlands Conserv. Fund	15,000	14,957	39,912	43,500	38,309	37,532	37,472	39,412	39,412	41,981	42,647	+666
Neotropical Migratory Birds				3,000	2,981	3,951	3,944	3,941	3,941	4,430	3,960	-470
Coop End. Species Conserv. Fur	14,000	23,000	104,694	96,235	80,473	81,596	80,462	80,001	81,001	73,831	75,501	+1,670
State and Tribal Wildlife Grants			49,890	59,800	64,577	69,137	69,028	67,492	67,492	73,830	73,830	0
Subtotal	**29,000**	**37,957**	**194,496**	**252,535**	**236,015**	**229,254**	**219,503**	**219,790**	**224,770**	**195,795**	**195,938**	**+143**
Departmental Management												
Take Pride in America						494	490	493	495	505	505	0
TOTAL	**69,134**	**82,328**	**250,841**	**323,382**	**325,829**	**337,006**	**312,216**	**317,299**	**322,455**	**313,483**	**322,634**	**+9,151**

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Department of the Interior
Energy Programs and Priorities

Key Points:

- **The FY 2009 President's request for energy programs within the Department was $528.1 million; an increase of more than $15 million compared to the 2008 enacted level.**

- **Multiple agencies are focusing efforts on development of alternative energy programs.**

- **During 2008, President Bush and Congress removed restrictions to developing oil and gas resources on the Outer Continental Shelf in response to increased prices and demand for oil and gas.**

- **Departmental energy priorities include increasing environmentally-responsible production in the short term, advancing access to traditional and alternative energy resources in the long term, and ensuring safe operations and a fair return on Federally-owned resources.**

Background:

- DOI helps to meet the Nation's energy needs and plays a key role in ensuring energy security. DOI managed onshore and offshore mineral estate produces approximately 30 percent of our Nation's energy supply. Approximately 42 percent of the Nation's coal, 35 percent of domestic oil, 39 percent of natural gas, 45 percent of geothermal, 17 percent of hydropower production, and 3 percent of wind power are produced in areas managed by the DOI. The percentage will increase dramatically in the near term due to the declining resources on state and private lands.

- The DOI's energy programs are also significant for the revenues they generate. These revenues, projected at over $17 billion for 2009, significantly exceed the annual DOI discretionary appropriations. From 1982 to 2007, $176.6 billion in revenues have been generated from energy programs on the Federal and Indian lands and the Outer Continental Shelf. Many States benefit directly by receiving a share of these revenues, and a portion of these revenues support historic and environmental preservation in all 50 States.

- Bureaus with energy programs include:
  - The Bureau of Land Management has responsibility for the onshore oil and gas program on Federal and Indian Lands.
  - The Minerals Management Service has responsibility for the offshore oil and gas program on the Outer Continental Shelf and for collection of Federal royalties, both onshore and offshore.

- The United States Geological Survey provides scientific research studies to enhance domestic conventional and alternative energy production and to enhance environmental quality.
- The BIA is responsible for the management of trust resources involving energy development.

- Energy-related programs conducted by the varying bureaus include, among other activities, the provision of energy rights of way, processing applications for drilling permits, management of offshore leasing programs, collection and disbursement of Federal royalties, research into energy-related technologies and environmental practices, and consultation with outside entities concerning the environmental impacts concerning specific energy development projects. Bureau-specific activities are discussed in their respective briefing papers.

Discussion:

- To achieve energy security the Nation must develop all forms of energy: conventional, renewable and unconventional. Much of the future development will be on Federal lands and Federal waters because of the location of the resources.

- Energy-related priorities within the Department seek to enhance the key role the Federal Government plays in providing energy to the Nation. The initiative's goal is to increase the level of conventional and alternative energy produced on Federal and Indian lands and the Outer Continental Shelf to help achieve energy security for the Nation.

- **<u>Goal 1: Increase Energy Production in the Short Term</u>**

  - Reduce the BLM's backlog of Applications for Permit to Drill (APD) and to improve conduct of other activities important to the conventional energy programs. The BLM seeks to increase processing of APDs, along with the associated inspection, enforcement, and leasing activities to reduce the APD backlog.

  - The U.S. Fish and Wildlife Service aims to establish a consistent management program for oil and gas activities within the National Wildlife Refuge System, providing assistance to field stations and funding for monitoring and restoration. More than one-fourth (155) of all national wildlife refuges have or had oil and gas activity, some of which dates back more than 80 years.

  - The MMS will implement the Five-year Oil and Gas Leasing Program by conducting environmental research and analysis to support oil and gas activities on the Outer Continental Shelf. The information gained from this research will facilitate environmentally sound offshore oil and gas development.

- The BLM aims to the establish Alternative Energy Coordination Offices based on a successful pilot program that has brought land management agency personnel together with both Federal and state regulatory agency personnel. These offices would increase capacity to process and manage alternative energy projects on the public lands.

- MMS plans to initiate competitive lease sales for alternative energy projects (estimated size: 1600 megawatts). Achieving this goal requires environmental, resource and industry studies.

- **Goal 2: Increase Energy Production in the Long Term**

  - The BLM will continue to provide opportunities for environmentally sound onshore conventional energy development. The BLM will continue to improve the oil and gas and coal program responsibilities, including streamlining the permitting process for conventional energy resource development and enhancing management practices

  - The USGS conventional energy research continues to focus on areas of the United States that have oil and gas resources under public lands and those areas that have high potential for future natural gas production including coalbed natural gas.

  - With the lifting of the Presidential and Congressional restrictions on oil and gas development on the OCS, the MMS has initiated a new Five-year Oil and Gas Leasing Program. The MMS must solicit public comments, conduct environmental studies, develop geologic data, and attract skilled personnel.

  - The USGS seeks to expand research into a variety of alternative energy technologies including, wind, geothermal, biofuels, gas hydrates, and uranium.

- Goal 3: Protect the Interest of the American Public

  - The BLM and MMS are improving oil and gas production accountability to ensure that the Department is receiving all of the royalty revenue due to the American public. The objective is to implement the formal recommendations dealing with production accountability. The co-dependency of BLM and MMS oil and gas royalty collection activities related to onshore oil and gas production require a well-coordinated unified implementation strategy.

  - The MMS is seeking to implement a risk-based compliance strategy in response to recommendations from the Office of Inspector General and the

Royalty Policy Committee. These actions will ensure that Mineral Revenue Management program increases properties' and companies' compliance coverage, while focusing on the highest risks.

- The MMS will develop an upgraded suite of data extraction tools to provide an integrated approach to address formal recommendations, user requirements, security vulnerabilities, expansion of the user base, and increased performance requirements.

- The MMS will develop improved economic analyses to ensure the American public receives a fair return for the use of its OCS resources.

- Among the priorities for the OSM is the provision of sufficient grant funding to support State efforts to properly mine coal and to see that land is reclaimed in accordance with land use plans established during the permitting process. The OSM will also help Native American Tribes gain primacy status.

Energy Funding – All Sources
2009 Budget Summary

	2007 Enacted	2008 Enacted	2009 Request	2009 Compared to 2008
Bureau of Land Management				
Energy and Minerals Program				
Appropriations	136,537	109,873	131,968	+22,095
Offsetting Collections		25,500		-25,500
Renewable Energy (estimate)	*[1,250]*	*[1,200]*	*[1,200]*	*[0]*
Lands and Realty Management				
Renewable Energy (ROWs) (estimate)	982	762	762	0
Non-Renewable Energy (ROWs) (estimate)	1,236	956	956	0
Subtotal, Appropriations	138,755	137,091	133,686	-3,405
Other Funding Sources (all amounts are estimates)				
APDs Oil/Gas Cost Recoveries APDs (Fixed)	0	0	34,000	+34,000
Other Oil/Gas Cost Recoveries (Fixed)	2,780	3,000	3,000	0
Non-Oil/Gas Cost Recoveries (Case-by-Case)	1,100	2,000	2,000	0
ROW Processing Cost Recoveries[1]	6,407	6,420	6,170	-250
APD Permit Processing Improvement Fund[2,3]	21,000	21,000	0	-21,000
Geothermal Fund[3, 4]	4,876	6,183	0	-6,183
NPR-2 Revenue[3]	2,081	504	203	-301
Subtotal, Other Sources	38,244	39,107	45,373	+6,266
Subtotal, Bureau of Land Management	176,999	176,198	179,059	+2,861
Minerals Management Service				
Offshore Minerals Management	152,789	161,336	164,026	+2,690
Minerals Revenue Management	80,103	81,687	86,010	+4,323
General Administration	48,450	47,457	50,964	+3,507
Subtotal, Minerals Management Service	281,342	290,480	301,000	+10,520
Offsetting Collections: OCS Rents[5]	*[116,830]*	*[122,730]*	*[133,730]*	*[11,000]*
Cost Recovery Fees[5]	*[11,900]*	*[13,000]*	*[13,000]*	*[0]*
U.S. Geological Survey				
Energy Resources	25,150	26,381	26,642	+261
Fish and Wildlife Service				
Consultation & Planning[6]	6,220	8,067	8,559	+492
Bureau of Indian Affairs				
Trust National Resources				
Mining and Minerals Program (TPA)	2,923	3,098	3,174	+76
Mining and Minerals Program (non-TPA)	6,034	6,932	6,933	+1
Mining and Minerals Central Oversight	1,250	1,466	1,492	+26
Mining and Minerals Regional Oversight	0	0	875	+875
Subtotal, Bureau of Indian Affairs	10,207	11,496	12,474	+978
Departmental Management				
Office of Hearings and Appeals	0	400	404	+4
Total, Department of the Interior	**499,918**	**513,022**	**528,138**	**+15,116**

Footnotes:

1. Amounts shown are 50 percent of the total ROW cost recoveries, reflecting estimates for energy-related ROWS.

2. Actual mineral leasing rental receipts vary by year and are difficult to predict. As a result, BLM's spending plan for the Permit Processing Improvement Fund makes available a total of $21.0 million. Actual receipts may vary; for example, receipts totaled $22.0 million in 2007 and $23.2 million is estimated in 2009. The 2009 budget proposes to replace the $21.0 million in spending with a spending plan of $34.0 million derived from APD cost recoveries.

3. Permanent.

4. Geothermal receipts deposited in BLM's Geothermal Fund vary by year, so BLM's spending plan may differ from actual and estimated receipts. The amounts in the table reflect BLM's actual expenditures from the Geothermal Fund in 2007 and 2008 estimated expenditures. Receipts actually totaled $4.4 million in 2007, with $9.3 million estimated for 2008.

5. Prior to 2009, appropriations bill language included a safety net clause allowing MMS to retain offsetting collections and cost recovery fees, regardless of the amount collected. Beginning in 2009, the safety net clause excludes cost recovery fees, an estimated $13.0 million.

6. Fixed costs have not been included for FWS.

U.S. DEPARTMENT OF THE INTERIOR
EVERGLADES RESTORATION

	2006	2007	2008	2009 Request	2009 CR	2009 PB Change From 2008 Enacted
Everglades Restoration (All DOI)	63.7	68.3	73.0	69.4	73.0	-3.6
Mod Water						
NPS	25.0	13.0	14.3	10.0	14.3	-4.3
Corps of Engineers	34.6	35.0	9.8	50.0	9.8	+40.2
TOTAL	**123.3**	**116.3**	**97.1**	**129.4**	**97.1**	**+32.3**

KEY POINTS:

- **This interagency program involves modifications to the Central and Southern Florida Project water management system and related operational changes to provide water deliveries to Everglades National Park (ENP) and southern Florida.**

- **The 2009 President's Request for the Interior funding for Everglades Restoration program is proposed at $69.4 million, a decrease of $3.5 million below the 2008 enacted level.**

- **Within the total funding provided for Everglades restoration, the Modified Water Deliveries project is funded at $10.0 million in NPS, a decrease of $4.3 million from the 2008 enacted level. Funding for the Corps of Engineers is proposed at $50.0 million, an increase of $40.2 million.**

BACKGROUND:

The South Florida ecosystem is an 18,000 square-mile network of land and water extending from the Chain of Lakes south of Orlando to the coral reefs off of the Florida Keys. The ecosystem hosts a wide array of upland, lowland, and marine habitats which supports thousands of species of plants and animals including 68 threatened or endangered species. Flood control, water supply systems, agriculture and development have disrupted the regions' natural hydrological patterns. Half of the original Everglades ecosystem has been drained. Over the past 25 years the State of Florida and the U.S. Congress have passed legislation and created programs to manage growth and protect the natural environment in South Florida.

Comprehensive Everglades Restoration Plan

The Comprehensive Everglades Restoration Plan (CERP), which was authorized by the Water Resources Development Act of 2000, is the linchpin of the South Florida ecosystem restoration effort. It authorizes 68 projects to modify the current water delivery system. The total estimated cost for these projects is $7.8 billion, to be shared on a 50-50 basis between the Federal and the State governments.

Since 1993, Interior has provided nearly $400 million dollars to the State to acquire lands for water quantity and water quality improvements. Interior is also a major partner in implementing CERP and Interior lands are principal beneficiaries of CERP benefits. According to a May 2007 report by the Government Accountability Office noted that of the more than 200 projects that encompass restoration, 70 percent are completed and/or underway, with the reminder in the planning stage or not yet started.

South Florida Ecosystem Restoration Task Force

In 1993, the South Florida Ecosystem Restoration Task Force (Task Force) was established through an interagency agreement to coordinate the development of consistent policies, strategies and priorities for addressing environmental concerns within the South Florida ecosystem. In 1996, the Congress codified the Task Force, with Interior as the Chair, as an intergovernmental body to coordinate the restoration effort. Interior, through NPS appropriations, provides funding for the Task Force. One of the major accomplishments of the Task Force has been to develop a comprehensive Strategic Plan that outlines how the restoration effort will occur, identifies the resources needed, establishes the responsibility for accomplishing actions, and links the strategic goals to outcome-oriented goals. The Task Force has also developed strategies to coordinate land acquisition and support a multi-species approach to endangered species management and is presently working to improve the overall coordination of scientific research.

Modified Water Deliveries Project (Mod Water)

The Mod Water project involves construction of modifications to the Central and Southern Florida (C&SF) project water management system and related operational changes to provide improved water deliveries to the Everglades National Park. The Mod Water project includes water control structures to restore more natural hydrologic conditions within the Park as well as a flood mitigation system to protect adjacent residential and agricultural areas. The ability to deliver adequate supplies of clean water at the right time of the year is critical to the restoration of the Park's natural resources.

The 1996 cost estimate for this project was $131.5 million. Based on revised cost estimates provided by the Corps and NPS, this cost estimate is currently $509.7 million. However, the overall scope of this project has changed to allow the delivery of more restoration benefits than originally anticipated. The recommended plan for Tamiami Trail includes a 2-mile bridge to the west, a 1-mile bridge to the east, and raising the remaining road surface by about two feet. This plan will provide necessary conveyance of water south into the Northeast Shark River Slough section of Everglades NP. This alternative has an implementation cost of $144.1 million, and is supported by the Department, other Federal agencies, the State of Florida, and many affected interests. Construction on the 1-mile bridge to the east will begin in December 2008.

Water Quality

Water quality remains a principal concern in the Everglades. Interior is a key partner for the State's efforts to improve the quality of water entering the Everglades. The focus of this effort is actions by the State pursuant to a Consent Decree for which a federal district court retains jurisdiction. With funding provided by Congress in 2004, Interior increased the number of water quality monitoring stations at A.R.M. Loxahatchee National Wildlife Refuge, as well as at Everglades National Park, and is also conducting water quality modeling at the refuge. .

Science

In 2004, Interior, along with the Army and the State of Florida, contracted with the National Academy of Science to establish an independent peer review panel that will review the progress (and report its findings to agencies and the Congress) of the Everglades restoration effort. Additionally, in 2004 the Department issued its own strategic plan to coordinate Everglades related science to ensure that the scientific research funded by Interior supported the needs of the land-managing agencies.

MAJOR BUDGET TRENDS:

- Interior provides a significant percentage of the Federal appropriations for South Florida ecosystem restoration. This share has varied from one-third of total Federal appropriations spent on South Florida restoration projects to 65% of total appropriations.

- The Modified Water Deliveries project has received a total of $341.6 million through Interior and the Corps, including funds requested in the 2008 appropriation.

- Prior to 2006, funding for the Mod Water project was provided solely through NPS and transferred to the Corps for project implementation. In 2006 Congress determined to initiate an agreement between the Department and the Corps under which the cost to complete the Modified Water Deliveries project would be shared by NPS and the Corps.

  Also during that year Congress appropriated $24.9 million to the Department, which consisted of $7.9 million in new funding and $17.0 million redirected from unobligated balances for Everglades land acquisition that were not currently needed for high-priority acquisitions. The Congress appropriated approximately $35 million to the Corps.

FY 2008 Budget:

- The Department of the Interior 2008 appropriation includes a total of $73.0 million for operational programs related to the Everglades Restoration program.

- Within the 2008 enacted level, $14.3 million was appropriated for the Mod Water project. Fiscal Year 2008 funding for the project funded by the Corps of Engineers is $27.1 million.

FY 2009 Budget:

Modified Water Deliveries Project

- The Department of the Interior, Environment, and Related Agencies report includes $60.0 million for the Mod Water project within the NPS Construction program which includes the $10.0 million requested by the DOI and $50.0 million requested by the Army Corp of Engineers.

CERP Implementation

- The Department's request includes $8.0 million for participation in the implementation of CERP. The funds will be provided to NPS and FWS to fund staff needed to work with Federal, State, local and tribal governments on the specific features to ensure the purposes of CERP are achieved.

- The FWS also expects to receive transfer funding in 2009 totaling $3.0 million from the Corps of Engineers for CERP implementation.

Everglades Science

- The 2009 request continues to fund $3.9 million for Everglades science through the NPS Critical Ecosystem Studies Initiative.

The attached tables provides more detail regarding the President's budget.

Everglades Restoration

dollars in thousands

Bureau/Account/Activity	1999 Enacted	2000 Enacted	2001 Enacted	2002 Enacted	2003 Enacted	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Pres. Budget
U.S. Geological Survey											
Investigations and Research	7,321	6,317	8,553	8,636	7,847	7,847	7,738	7,771	6,900	6,800	6,800
Biological Research	1,281	2,243	0	0	0	0	0	0	0	0	0
Everglades Science	0	0	0	0	0	0	0	0	0	0	0
Subtotal, USGS	8,602	8,560	8,553	8,636	7,847	7,847	7,738	7,771	6,900	6,800	6,800
U.S. Fish and Wildlife Service											
CERP Implementation	0	0	651	3,351	3,329	3,309	3,304	3,302	3,302	3,250	3,250
Ecological Services	2,567	2,557	2,554	2,554	2,537	2,523	2,518	2,516	2,521	2,482	2,443
Refuges and Wildlife	3,728	3,952	3,706	3,706	3,682	9,784	4,109	4,086	4,086	4,315	4,315
Migratory Birds	0	0	0	0	0	0	102	101	101	99	99
Fisheries	100	100	100	100	99	98	95	95	95	94	94
Law Enforcement	637	637	636	636	632	628	619	619	619	609	609
Land Acquisition	1,000	8,500	10,975	8,500	2,484	0	740	0	0	1,028	0
Subtotal, FWS	8,032	15,746	18,622	18,847	12,763	16,342	11,487	10,719	10,724	11,877	10,810
[Transfer from COE for CERP Implementation]	*[0]*	*[0]*	*[1,451]*	*[2,808]*	*[2,710]*	*[2,824]*	*[3,000]*	*[3,000]*	*[3,000]*	*[3,000]*	*[3,000]*
National Park Service											
ONPS/Park Management	20,413	22,005	23,389	23,635	23,874	23,991	25,266	25,832	26,377	28,481	30,210
CESI/Everglades Research	12,000	7,908	6,194	4,000	3,974	3,937	3,882	3,840	3,864	3,849	3,849
CERP Implementation	0	0	2,497	5,544	5,513	4,722	4,657	4,620	4,662	4,657	4,699
CERP GSA Space	0	0	0	0	0	741	556	554	554	554	554
Everglades Transfer	0	0	0	0	0	9,924	702	0	0	0	0
[Allocation to the Task Force]			[560]	[531]	[482]	[560]	[560]	[560]		[560]	[560]
Task Force	800	800	1,316	1,325	1,320	1,308	1,290	1,286	1,307	1,303	1,303
Construction/Modified Water	14,000	12,000	8,980	19,199	9,935	12,830	7,965	24,962	12,981	14,299	10,000
Land Acquisition											
Fed. Land Acquisition	20,000	31,900	18,796	16,000	0	0	0	0	0	0	0
Fed. Land Acquisition Admin.	0	1,000	2,075	2,800	2,782	1,800	1,500	690	500	750	800
Balances	0	0	-18,796	0	0	-5,000	-702	-17,000	0	0	0
LWCF/State of FL Grant	60,000	45,000	11,974	15,000	14,924	0	0	0	0	0	0
Transfer of LWCF/State of FL Grant Balances	0	0	0	0	0	-9,924		0	0	0	0
LWCF Administration/State of FL Grant	0	0	0	0	497	0	0	0	0	0	0
Subtotal, NPS	127,213	120,613	56,425	87,503	62,819	44,329	45,116	44,784	50,245	53,893	51,415

Everglades Restoration

dollars in thousands

Bureau/Account/Activity	1999 Enacted	2000 Enacted	2001 Enacted	2002 Enacted	2003 Enacted	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Pres. Budget
Bureau of Indian Affairs											
Seminole/Micosukee Water Study	399	397	396	396	393	391	388	382	382	390	390
Seminole Everglades Restoration	0	0	0	0	0	148	148	0	0	0	0
Subtotal, BIA	399	397	396	396	393	539	536	382	382	390	390
Total DOI	**144,246**	**145,316**	**83,996**	**115,382**	**83,822**	**69,057**	**64,876**	**63,656**	**68,251**	**72,960**	**69,415**
Mod Water											
NPS	14,000	12,000	8,980	19,199	9,935	12,830	7,965	24,962	12,981	14,299	10,000
Corps of Engineers			0	0	0	0	0	34,553	35,000	9,840	50,000
Total, Mod Water	**14,000**	**12,000**	8,980	19,199	9,935	12,830	7,965	59,515	47,981	24,139	60,000

Footnotes:

In a previous version of this table, the Task Force funds were not included, or included within Park Management, before FY 2000.

$5.0 million in 1994 and $3.796 million in 1995 were transferred from NPS Construction to NPS Fed. Land Acquisition for project modifications.

In 1998, NPS Fed. Land Acquisition includes $3.0 million in Title V funds appropriated to the Department and transferred to FWS.

In 2000, Everglades Transition Lands includes $35.0 million provided in Title VI of the Interior Appropriations bill.

In 2001, $1.697 million was permanently reprogrammed from NPS Everglades Research to NPS CERP implementation.

In 2001, $18.796 million was reprogrammed from NPS LWCF/State of FL grant to NPS Fed. Land Acquisition for project modifications.

In 2002, $16.0 million in NPS Fed. Land Acquisition will be used by the U.S. Army Corps of Engineers to buy land in support of the Modified Water Delivery Project.

Beginning in 2004, the amount for NPS CERP implementation includes funding for GSA Space Rental budgeted within the NPS External Administrative Costs subactivity.

In 2004, NPS transferred $5.0 million in LWCF unobligated balances to FWS for further water monitoring and melaleuca and lygodium (exotics) irradication.

2005 enacted level for NPS does not include a transfer of prior year balances from State of FL grants to ONPS.

FY 2005 Conference mark for ONPS/Park Management based on initial analysis. Current estimate has been adjusted to include an across-the-board increase, and the ATB reductions as directed by the Hill. Funding may be further adjusted by NPS.

2006 Enacted includes a transfer of $17.0 million in unobligated balances from NPS Fed. Land Acquisition to NPS Construction to further the Modified Water Deliveries System project.

2006 and 2007 Fed. Land Acquisition Administration represent current estimates, and may change slightly.

2007 Enacted funding levels for FWS and BIA are still being verified and may change slightly.

DEPARTMENT-WIDE
HEALTHY FORESTS INITIATIVE AND HEALTHY FOREST RESTORATION ACT

Key Points

- **Over the last 7 years, the Department of the Interior has made significant progress in reducing hazardous fuels on public lands to reduce the threat of catastrophic wildfires and improve forest and woodland health. From 2001 – 2008, Interior bureaus treated nearly 9.3 million acres in the WUI and non-WUI using Hazardous Fuels Reduction program funds (National Fire Plan funding). In addition, since 2004 approximately 1.8 million acres have been treated through landscape restoration projects funded through bureaus' resource management programs (the Department did not track non-NFP-funded acres until 2004).**

- **This progress has been made possible by the significant funding made available for DOI's Hazardous Fuels Reduction program and the Department's effective use of the tools provided by the Healthy Forests Initiative (HFI) and the Healthy Forests Restoration Act (HFRA).**

- **The Hazardous Fuels Reduction program in the Wildland Fire Management account, which was funded at $199.6 million in 2008 and $202.8 million in the 2009 President's Budget, represents the preponderance of DOI funding for the Healthy Forests Initiative.**

- **In addition to the regular 2008 appropriation of $199.6 million for the Hazardous Fuels Reduction program, the Department reprogrammed an additional $10.0 million to the HFR program from the $25.0 million in emergency supplemental funds provided for the Burned Area Rehabilitation program in 2008 (P.L. 110-329, the Consolidated Security, Disaster Assistance, and Continuing Appropriation Act of 2009 included a 2008 emergency supplemental appropriation of $135.0 million for Wildland Fire Management, including $110.0 million for Suppression and $25.0 million for BAR).**

- **The Department has used the HFI and HFRA authorities and tools in close coordination with State, local, and Tribal governments.**

Discussion

- The President Bush's Healthy Forests Initiative of 2002 directed the Department of the Interior agencies and the Forest Service to expedite reductions in hazardous fuels on public lands, restore ecosystems, and protect lives and communities. The Administration developed new procedures, including streamlining consultations under the Endangered Species Act (ESA) and expanding use of categorical exclusions under the National Environmental Policy Act, to expedite fuels reduction and related projects.

- Congress supplemented these tools with additional legislative authorities that include the Healthy Forests Restoration Act, Tribal Forests Protection Act, and the stewardship

contracting authority provided in the FY 2003 Omnibus Appropriations Act (Section 323 of P.L. 108-7).

- HFRA emphasizes work on federal lands near communities and high-risk municipal watersheds, resources threatened by insects and disease, and threatened and endangered species habitat.

- HFI and HFRA both provide tools to the federal agencies to ensure more timely decisions, greater efficiency, and better results in reducing the risk of catastrophic wildfires by restoring forest and rangeland health.

Backgound

- Much of the forest and woodland acreage managed by the Department of the Interior is unnaturally dense, and therefore, prone to disease, insect infestation and catastrophic wildfire.

- Fuels treatments reduce the impact of wildland fires on communities and natural and cultural resources. Heavy fuels accumulation and the altered composition and structure of vegetation, combined with sustained drought, contribute to increased fire intensity, spread, and resistance to control through many parts of the United States.

- Hazardous fuels reduction treatments do more than just reduce the risk of fire, they have benefits that achieve a wide array of land management goals; promoting healthier forests and rangelands, achieving desired future plan communities by removing invasive species, helping public lands withstand periods of drought, and increasing resiliency to disease and insect invasions.

- The Department's processes used to identify, prioritize, and select hazardous fuels treatments have evolved and improved. They emphasize coordination and consultation with State and local partners to identify and prioritize projects by making extensive use of the Community Wildfire Protection Plans as authorized and encouraged by the HFRA. In 2007, Interior collaborated with the Forest Service to begin development of a more objective system. A prototype was used successfully to define the highest treatment priorities and distribute five percent of budgeted funds. Model refinements will continue in 2008, with the aim to better integrate a logic model that synthesizes information about the landscape and link it with a decision support model that allows the Department to apply decision logic to inform the distribution of hazardous fuels reduction program funding.

- As the prioritization process continues to improve to better ensure that the acres at greatest risk are identified and the projects selected provide the greatest risk mitigation and environmental benefits, it is possible that the number of acres treated may decline. Refining our focus to treat the highest priority acres as opposed to the most acres is likely to drive up costs per unit area.

INVASIVE SPECIES
CROSSCUT PROGRAM
(dollars in millions)

	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008 Enacted
U.S. Geological Survey		8.5	11.0	10.9	11.1	10.9	11.1	10.7	-0.4
Fish and Wildlife Service		19.1	21.6	24.6	26.5	25.0	25.6	23.3	-2.3
National Park Service		9.9	9.9	9.9	9.8	10.5	10.3	10.3	0.0
Bureau of Land Management		7.7	7.5	8.2	8.3	8.6	10.8	11.7	+0.9
Bureau of Indian Affairs		2.0	2.1	2.0	2.0	1.0	1.0	1.0	0.0
Bureau of Reclamation		2.1	2.7	2.7	2.8	4.2	3.0	3.7	+0.7
Office of Insular Affairs		2.3	2.3	2.7	2.7	2.7	2.7	2.6	-.1
TOTAL*	0.0	51.6	57.1	61.0	63.2	62.9	64.5	63.3	-1.2
FTE									0.0

Key Points:

- **The 2009 budget request includes $63,300 for invasive species projects planned by the Interior bureaus.**

- **The Department will continue to carry out the actions of the 2008-2012 National Invasive Species Management Plan, the five strategic goal areas outlined in the Plan: prevention, early detection and rapid response, control and management, restoration, and organizational collaboration.**

- **BLM, FWS, NPS, BIA, and Reclamation continue to focus resources on target species in the three geo-regional areas of South Florida, the Northern Great Plains, and the Rio Grande River Basin, while also taking into consideration other associated invasive species.**

Background:

- The Department of the Interior has a National leadership role in the stewardship of lands and waters to prevent the introduction and spread of invasive plants and aquatic species in the United States. Bureaus within the Department, including NPS, FWS, BLM, and the USGS, have been working to eradicate invasive species on Federal lands and have been partnering with State and local organizations to restore ecosystems with native plants and animals.

- Invasive species cost our Nation's economy an estimated $123 billion annually and are second only to habitat destruction in threatening extinction of native species. Invasive plants and weeds are spreading on Federal lands at a rate of 4,600 acres per day. The Federal agencies are applying effective and economical strategies now to protect these lands from weed infestation but more needs to be done to prevent the introduction and spread of invasive animals and plants.

- In response to concerns about invasive species expressed by DOI resource managers, President Clinton issued Executive Order 13112 on February 3, 1999 establishing an Invasive Species Council, co-chaired by the Secretary of the Interior, to coordinate the collective efforts of many Federal agencies to combat invasive species.

- The National Invasive Species Council (NISC) on August 1, 2008, approved the 2008-2012 National Invasive Species Management Plan, the Federal government's guide for efforts to prevent and control invasive species over the next five years. The Plan names 38 NISC agencies and programs, and indicates which of them has a lead or participant role for each of the Plan's 87 specific Performance Elements. This five-year plan specifies over 200 coordinated actions.

Discussion:

- The 2001 budget included an increase of $6.1 million to NPS, FWS, and BLM to intensify efforts to control and eradicate invasive species on Interior lands, and a $2.0 million increase to USGS for research on invasive species.

- The Department received $9.0 million in 2004 to participate in an interagency performance budget on invasive species coordinated by the National Invasive Species Council. The funds contributed to a number of projects, notably to combat tamarisk and giant Salvinia, improve nutria control, and to develop a web-based guide on invasive species information.

- The 2005 budget request included $58.3 million to further interagency coordination in addressing invasive species challenges, focused mainly on National Invasive Species Council priorities. Working in collaboration with other Federal agencies, States, Tribes, and other partners, the Department documented successful control on invasives.

- In 2006, with a budget request of $60.5 million, Interior coordinated invasive species activities based on geo-regional areas in response to bureau concerns that the species-specific focus areas do not always accurately portray the invasives work done on any given piece of land.

- The 2007 budget request included $60.0 million for invasive species, including an increase for work in three geo-regional areas: South Florida, the Northern Great Plains, and the Rio Grande River Basin. The 2007 program focused on invasive species that present significant threats to ecosystem health, including lygodium, leafy spurge, and tamarisk in particular.

- The 2008 budget included $61.7 million for invasive species activities planned by the Interior agencies. BLM, FWS, NPS, BIA, and Reclamation continued to focus resources on target species in the three geo-regional areas, while also taking into consideration other associated invasive species. The USGS continued to conduct research and provide technical and scientific decision support for the collaborative effort. The Office of Insular Affairs continued to lead the effort to control the brown tree snake.

U.S. DEPARTMENT OF THE INTERIOR
KLAMATH BASIN RESTORATION AGREEMENT

Key Points:

- **The Klamath Settlement Group comprised of Department and other federal entities, states, counties, tribes, irrigation and water districts, and other stakeholders made public on January 15, 2008 a proposed agreement.**
    - **The Agreement is intended to result in effective and durable solutions which: 1) in concert with the removal of four dams, will restore and sustain natural production and provide for full participation in ocean and river harvest opportunities of fish species throughout the Klamath Basin; 2) establish reliable water and power supplies which sustain agriculture uses, communities, and National Wildlife Refuges; and 3) contribute to the public welfare and the sustainability of all Klamath Basin communities. Department and other have been working for over two years to come to an agreement.**
    - **The agreement is predicated on Pacificorp agreeing to remove four dams, at its own expense. An agreement in principle has been reached and negotiations with the company toward a final agreement continue.**
    - **It is expected that an agreement will potentially reduce the number of lawsuit -- lawsuits which might result in both higher costs and adverse requirements on the Department.**
- **The Department budget office performed an estimate of the total cost of the Agreement for its first ten years of life. That estimate is approximately $1.0 billion. A programmatic chart of this estimate is shown below. The Administration is concerned about the level of Federal cost share in the Agreement.**
- **Although Interior representatives participated in the negotiations leading to this Agreement, OMB is still reviewing the proposal and has no position at this time.**
- **The Restoration Agreement produced by the working group cannot be implemented without legislation enacted by Congress. No legislation has been introduced at this time.**

Background:

Currently PacifiCorp has a pending application for a new license to operate its four dams on the Klamath River with the Federal Energy Regulatory Commission (FERC).

The Federal Energy Regulatory Commission (FERC) license for the project expired in March 2006. PacifiCorp has been working with other parties on an application for a new license.

FERC accepts a negotiated settlement process for re-licensing hydroelectric projects in addition to the traditional method. PacifiCorp has elected to use the settlement process.

FERC issued a draft Environmental Impact Statement (EIS) in response to the PacifiCorp relicensing request on September 25, 2006. DOI filed its modified terms, conditions, and prescriptions for the Klamath Hydroelectric Project, FERC Project No. 2082 on January 26, 2007.

Parties meeting to discuss a settlement agreement for the re-licensing expanded the suite of issues to include some that are well outside of the FERC process, and which will require separate legislation to implement. PacifiCorp has elected not to participate in these broader discussions. The draft product produced by this 'settlement group' was inaccurately referred to as the 'settlement agreement.' Currently, the product produced by the group is known as the Restoration Agreement.

Affected Bureaus:

In addition to participation by other agencies including the Department of Agriculture and the Department of Commerce, Interior bureaus involved in this agreement are BOR, FWS, USGS, BIA, and BLM. They would be expected to fund a share of the costs.

Current Status:

The programmatic estimate of the first ten year's cost of the settlement is shown below.

Updated Settlement Agreement Organizational Estimate of Costs

Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Governance	$ -	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 150	$ 1,350
Fisheries											
Restoration	$ 8,845	$ 28,280	$ 49,118	$ 40,868	$ 40,301	$ 42,793	$ 43,324	$ 40,092	$ 39,339	$ 36,994	$ 369,952
Reintroduction	$ 385	$ 4,444	$ 12,974	$ 3,568	$ 4,068	$ 4,068	$ 8,676	$ 4,993	$ 4,993	$ 4,993	$ 53,162
Monitoring	$ 4,977	$ 10,684	$ 12,668	$ 13,688	$ 13,768	$ 14,268	$ 14,268	$ 14,368	$ 14,368	$ 14,268	$ 127,325
Water Resources	$ 12,750	$ 28,000	$ 29,100	$ 25,510	$ 26,670	$ 35,920	$ 26,170	$ 26,170	$ 25,920	$ 25,920	$ 262,130
Regulatory Assurances	$ -	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,450	$ 2,450	$ 12,450	$ 17,450	$ 2,450	$ 45,250
Power	$ 1,730	$ 3,241	$ 15,737	$ 10,510	$ 7,500	$ 3,000	$ -	$ -	$ -	$ -	$ 41,718
Counties	$ -	$ -	$ -	$ -	$ 3,200	$ -	$ 20,000	$ -	$ -	$ -	$ 23,200
Tribes	$ 4,900	$ 13,000	$ 13,000	$ 13,100	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 80,000
Program Total	$ 33,587	$ 89,799	$ 134,747	$ 109,394	$ 103,657	$ 108,649	$ 121,038	$ 104,223	$ 108,220	$ 90,775	$ 1,004,087

Interior bureaus already support some Klamath efforts. The 2009 budget for Interior bureaus totals $55.6 million. The estimate of the total costs determined that some of the current funding can be applied to Interior's likely share of the total costs for the Agreement.

On Thursday, November 13, 2008 The Secretary, Governor of Oregon, California Secretary for Resources and PacifiCorp Chairman and announced a nonbinding agreement in principle to remove the four dams. This announcement is seen as the critical first step toward the adoption of the KBRA. Following a planned series of studies and analyses expected to take four years, and which must show dam removal is feasible, environmentally prudent and cost-effective, dam removal could

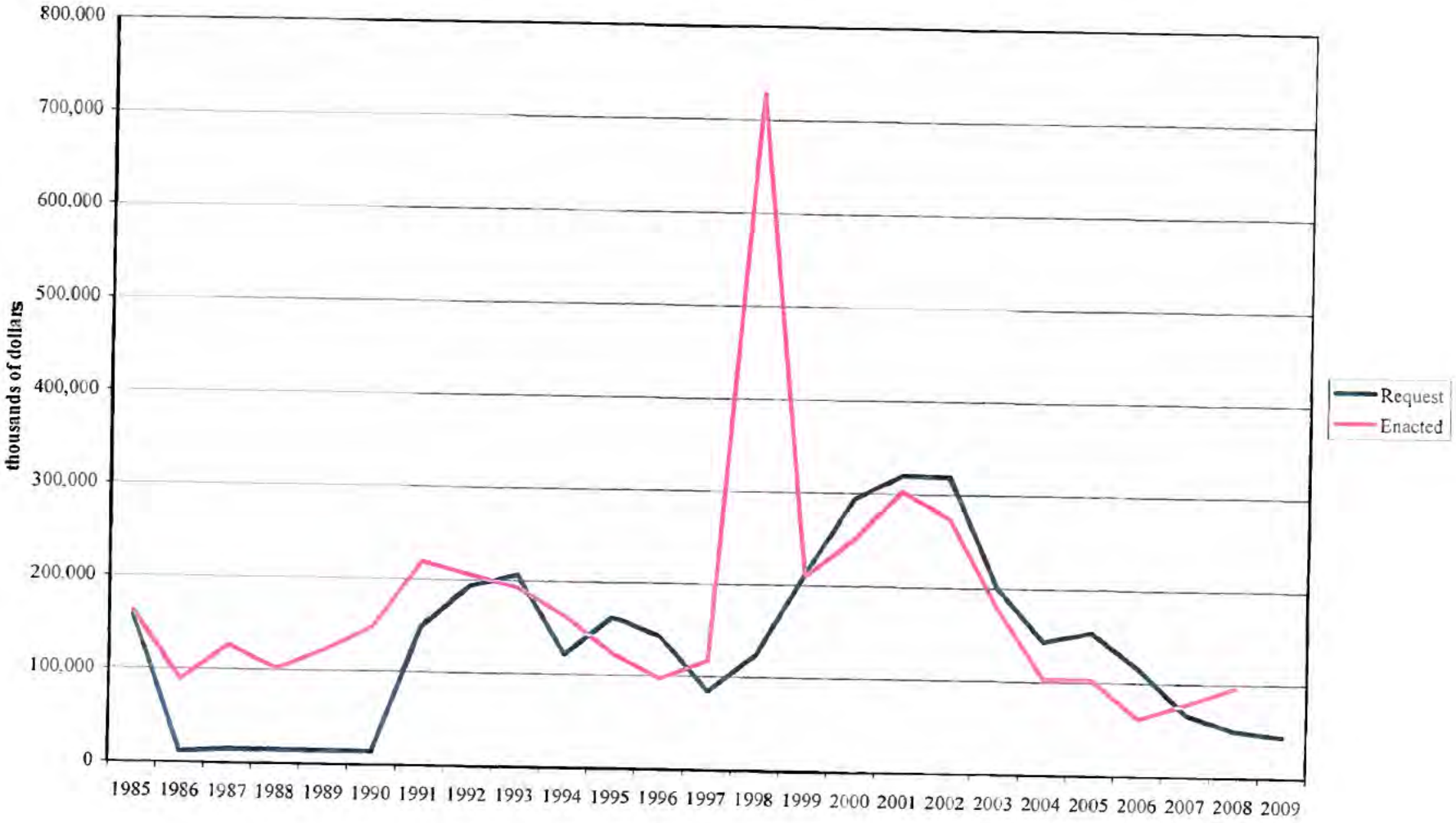
begin in 2020. One of the reasons for establishing 2020 as the date for dam removal is to allow time for the decommissioning fund to build up to avoid price shocks for the ratepayers.

The announcement also includes a deadline of June 30, 2009 for a binding agreement. Stakeholders who endorse the agreement in principle will "get a place at the table" for finalizing a binding agreement.

Total LWCF for Federal Land Acquisition

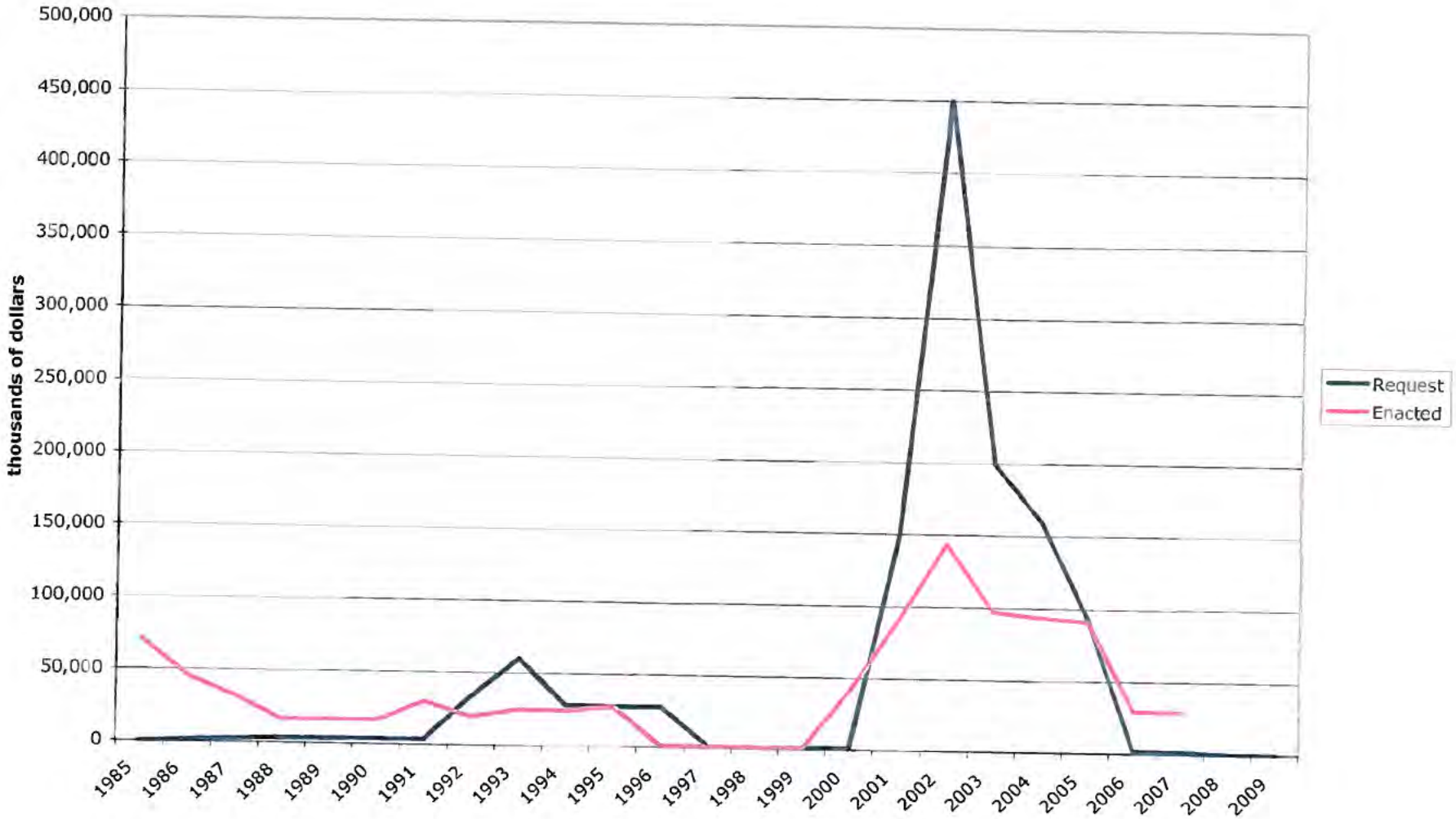
Enacted vs Request Funding Levels

(1985-2009)



Total LWCF State Grants

Enacted vs Request Funding Levels
(1985-2009)



TRADITIONAL LWCF - FUNDING HISTORY

($000's)

	1965 Enacted	1966 Enacted	1967 Enacted	1968 Enacted	1969 Enacted	1970 Enacted	1971 Enacted	1972 Enacted	1973 Enacted	1974 Enacted	1975 Enacted	1976 Enacted	Tr Qtr Enacted
Federal Land Acquisition													
BLM	0	0	0	0	3	0	560	499	1,827	0	500	2,000	400
FWS	0	0	148	1,798	1,339	997	7,993	3,488	4,597	0	9,494	9,422	3,199
NPS	4,813	21,534	20,491	23,669	50,259	51,498	119,820	68,548	77,364	1,507	80,822	87,200	19,442
BIA													
DOI-SubTotal	4,813	21,534	20,638	25,467	51,601	52,495	128,373	72,535	83,788	1,507	90,816	98,622	23,041
USFS	750	16,894	15,568	14,435	12,390	13,661	39,853	29,652	29,624	3,973	30,884	36,965	7,595
Total, land acq.	5,563	38,429	36,207	39,902	63,991	66,156	168,226	102,187	113,412	5,480	121,700	135,587	30,636
LWCF State Grants	10,375	82,409	56,531	61,520	44,938	61,832	185,239	255,000	181,800	65,767	179,880	175,739	43,925
Total, LWCF	15,938	120,838	92,738	101,422	108,929	127,988	353,465	357,187	295,212	71,247	301,580	311,326	74,561
DOI Total	15,188	103,943	77,170	86,987	96,539	114,327	313,612	327,535	265,588	67,274	270,696	274,361	66,966
Percent of Federal to State	*54%*	*47%*	*64%*	*65%*	*142%*	*107%*	*91%*	*40%*	*62%*	*8%*	*68%*	*77%*	*70%*
Percent of Federal to Total	*35%*	*32%*	*39%*	*39%*	*59%*	*52%*	*48%*	*29%*	*38%*	*8%*	*40%*	*44%*	*41%*

	1977 Enacted	1978 Enacted	1979 Enacted	1980 Enacted	1981 Enacted	1982 Enacted	1983 Enacted	1984 Enacted	1985 Request	1985 Enacted	1986 Request	1986 Enacted
Federal Land Acquisition												
BLM	2,000	2,100	1,500	2,750	1,002	3,712	311	5,891	0	2,695	0	2,188
FWS	28,993	31,285	33,430	11,750	9,303	16,491	35,200	52,297	57,500	64,218	1,500	41,061
NPS	253,993	367,522	254,461	165,667	63,479	129,081	121,505	128,650	100,000	95,682	10,000	46,041
BIA												
DOI-SubTotal	284,986	400,907	289,391	180,167	73,784	149,284	157,016	186,838	157,500	162,595	11,500	89,290
USFS	71,300	89,973	71,385	22,373	34,498	26,262	63,077	40,052		50,535		31,356
Total, land acq.	356,286	490,880	360,776	202,540	108,282	175,546	220,093	226,890	157,500	213,130	11,500	120,646
LWCF State Grants	175,315	305,694	369,602	299,703	173,745	0	110,619	72,919	**0**	71,853	1,275	45,993
Total, LWCF	531,601	796,574	730,378	502,243	282,027	175,546	330,712	299,809	157,500	284,983	12,775	166,639
DOI Total	460,301	706,601	658,993	479,870	247,529	149,284	267,635	259,757	157,500	234,448	12,775	135,283
Percent of Federal to State	*203%*	*161%*	*98%*	*68%*	*62%*	*N/A*	*199%*	*311%*		*297%*		*262%*
Percent of Federal to Total	*67%*	*62%*	*49%*	*40%*	*38%*	*100%*	*67%*	*76%*		*75%*		*72%*

	1987 Request	1987 Enacted	1988 Request	1988 Enacted	1989 Request	1989 Enacted	1990 Request	1990 Enacted	1991 Request	1991 Enacted	1992 Request	1992 Enacted
Federal Land Acquisition												
BLM	0	3,020	10	8,885	100	12,290	100	12,556	12,556	15,567	47,530	25,003
FWS	1,500	48,240	1,639	51,754	1,874	57,529	1,874	67,990	67,990	100,619	62,030	98,856
NPS	13,000	75,160	12,598	40,763	12,396	52,609	12,396	67,740	67,701	103,566	84,145	82,023
BIA												
DOI-SubTotal	14,500	126,420	14,247	101,402	14,370	122,428	14,370	148,286	148,247	219,751	193,705	205,882
USFS		49,236		49,076		63,805		63,433		88,695		88,306
Total, land acq.	14,500	175,656	14,247	150,478	14,370	186,233	14,370	211,719	148,247	308,446	193,705	294,188
LWCF State Grants	2,270	32,700	3,433	16,567	3,383	16,700	3,383	16,501	3,300	29,843	33,500	19,748
Total, LWCF	16,770	208,356	17,680	167,045	17,753	202,933	17,753	228,220	151,547	338,289	227,205	313,936
DOI Total	16,770	159,120	17,680	117,969	17,753	139,128	17,753	164,787	151,547	249,594	227,205	225,630
Percent of Federal to State		*537%*		*908%*		*1115%*		*1283%*		*1034%*		*1490%*
Percent of Federal to Total		*84%*		*90%*		*92%*		*93%*		*91%*		*94%*

TRADITIONAL LWCF - FUNDING HISTORY

($000's)

	1993 Request	1993 Enacted	1994 Request	1994 Enacted	1995 Request	1995 Enacted	1996 Request	1996 Enacted	1997 Request	1997 Enacted	1998 Request	1998 Enacted
Federal Land Acquisition												
BLM	42,090	27,796	16,377	12,122	21,173	13,260	24,473	14,100	12,800	10,410	9,900	321,440
FWS	79,509	75,544	55,404	82,655	86,162	66,028	62,912	40,319	36,900	54,479	44,560	157,327
NPS	84,404	89,686	49,547	68,471	54,696	45,687	54,696	42,762	34,800	52,415	69,900	249,355
BIA												
DOI-SubTotal	206,003	193,026	121,328	163,248	162,031	124,975	142,081	97,181	84,500	117,304	124,360	728,122
USFS		62,412		64,250		63,873		39,392		40,575		197,976
Total, land acq.	206,003	255,438	121,328	227,498	162,031	188,848	142,081	136,573	84,500	157,879	124,360	926,098
LWCF State Grants	60,000	24,788	28,053	24,750	28,000	24,703	28,000	1,500	1,500	1,500	1,000	1,000
Total, LWCF	266,003	280,226	149,381	252,248	190,031	213,551	170,081	138,073	86,000	159,379	125,360	927,098
DOI Total	266,003	217,814	149,381	187,998	190,031	149,678	170,081	98,681	86,000	118,804	125,360	729,122
Percent of Federal to State		*1031%*		*919%*		*764%*		*9105%*		*10525%*		*92610%*
Percent of Federal to Total		*91%*		*90%*		*88%*		*99%*		*99%*		*100%*

	1999 Request	1999 Enacted	2000 Request	2000 Enacted	2001 Request	2001 Enacted	2002 Request	2002 Enacted	2003 Request	2003 Enacted	2004 Request	2004 Enacted
Federal Land Acquisition												
BLM	15,000	14,591	48,900	47,750	60,900	53,545	47,686	49,914	44,686	33,233	23,686	18,371
FWS	60,500	47,792	73,632	61,938	111,632	121,188	164,401	94,273	70,384	72,893	40,737	38,122
NPS	137,087	147,415	171,468	140,775	147,468	124,840	107,036	129,967	86,057	73,984	78,623	41,767
BIA										3,000		4,968
DOI-SubTotal	212,587	209,798	294,000	250,463	320,000	299,573	319,123	274,154	201,127	180,110	143,046	103,228
USFS		117,918		155,429		150,872		149,742		132,900		66,800
Total, land acq.	212,587	327,716	294,000	405,892	320,000	450,445	319,123	423,896	201,127	313,010	143,046	170,028
LWCF State Grants	1,000	500	1,000	41,000	150,000	90,301	450,000	143,900	200,000	97,363	160,011	93,829
Total, LWCF	213,587	328,216	295,000	446,892	470,000	540,746	769,123	567,796	401,127	410,373	303,057	263,857
DOI Total	213,587	210,298	295,000	291,463	470,000	389,874	769,123	418,054	401,127	277,473	303,057	192,089
Percent of Federal to State		*65543%*		*990%*		*499%*		*295%*		*321%*		*181%*
Percent of Federal to Total		*100%*		*91%*		*83%*		*75%*		*76%*		*64%*

	2005 Request	2005 Enacted	2006 Request	2006 Enacted	2007 Request	2007 Enacted	2008 Request	2008 Enacted	2009 Request
Federal Land Acquisition									
BLM	24,000	11,192	13,350	8,621	8,767	8,634	1,619	8,939	4,475
FWS	45,041	37,005	40,992	27,990	27,079	28,046	18,011	34,596	10,171
NPS	84,295	55,134	52,913	17,395	22,718	34,402	22,529	44,367	21,832
BIA	0	0	0	0	0	0	0	0	0
DOI Appraisal Services Function			7,441	7950	7,895	7,398	7,792	7,670	8,012
DOI-SubTotal	153,336	103,331	114,696	61,956	66,459	78,480	49,951	95,572	44,490
USFS	43,800	61,007	40,000	41,900	25,075				
Total, land acq.	197,136	164,338	154,696	103,856	91,534	78,480	49,951	95,572	44,490
LWCF State Grants	93,829	91,215	1,587	29,559	1,651	29,622	0	24,610	0
Total, LWCF	290,965	255,553	156,283	133,415	93,185	108,102	49,951	120,182	44,490
DOI Total	247,165	194,546	116,283	83,565	68,110	108,102	49,951	120,182	44,490
Percent of Federal to State		*180%*		*351%*		*265%*		*388%*	
Percent of Federal to Total		*64%*		*78%*		*73%*		*80%*	

LAND ACQUISITION
PROGRAM OVERVIEW

Key Points:

- **Interior's three land management bureaus – BLM, FWS, and NPS – acquire lands to achieve conservation objectives through a number of programs.**
- **The primary source of funds is appropriations from the Land and Water Conservation Fund.**
- **Other programs include the FWS Migratory Bird Conservation Fund, BLM's Federal Land Transaction Facilitation Act, and Southern Nevada Public Lands**
- **For lands acquired through the Land and Water Conservation Fund, the bureaus maintain separate and distinct prioritization processes.**
- **In February 2005, Interior and Forest Service issued a report on an effort to collaborate on ways to improve the ability of these agencies to achieve conservation objectives, including the need to more closely align priority setting.**

Land and Water Conservation Fund

- The Land and Water Conservation Fund Act was enacted in 1965. Its purposes were to help preserve, develop, and assure access to outdoor recreation facilities to strengthen the health of U.S. citizens. The Act created the Land and Water Conservation Fund in the U.S. Treasury as a funding source to implement the outdoor recreation and conservation goals in the law.

- The LWCF is authorized to receive annual collections totaling $900 million. The source of collections is: GSA surplus sales, $1 million from a small tax on motorboat fuels, and the remainder to meet the mandated $900 million is to come from OCS revenues.

- The Act authorizes appropriations of up to $900 million but did not actually appropriate the funds leaving that to the annual appropriations cycle.

- The LWCF has been the principal source of monies for land acquisition by the four federal agencies — the National Park Service, Bureau of Land Management, Fish and Wildlife Service, and Forest Service. It also funds a matching grant program, LWCF State Assistance, to assist states (and localities) in recreational planning, acquiring recreational lands and waters, and developing outdoor recreational facilities.

- In recent years, beginning in FY1998, LWCF has been used to fund other Federal grant programs that are focused on conservation, primarily under the Fish and Wildlife Service.

- From its inception, $30.8 billion has been deposited into the LWCF with OCS revenues providing $28.7 billion. Appropriations out of the fund to date total $14.6 billion.

- The current balance in the fund available for appropriation is $16.0 billion.

Migratory Bird Conservation Account:

- Federal Migratory Bird Conservation Stamps were created in 1934 as the stamp required for migratory waterfowl hunting.

- From 1937 to 2007, the program has received $980 million for the acquisition of wetlands and habitat important to waterfowl. To date a total of 3.0 million acres in fee title and 2.3 million acres in easements and leases have been acquired.

- Projects are recommended to and approved by the Migratory Bird Conservation Commission with membership including the Secretaries of the Interior and Agriculture, the Administrator of EPA, Senator Cochran and Lincoln, and Congressmen Dingell and Gilchrest.

- In 2009, the Service proposed to increase the price of the duck stamp from $15.00 to $25.00 – the first price increase since 1991.

Federal Lands Transaction Facilitation Act:.

- The Federal Land Policy and Management Act of 1976 gave BLM authority to sell lands identified through its land management process. Lands deemed suitable for potential sale are identified through a public process. Lands are identified if they are:
  - Scattered, isolated tracts that are difficult or uneconomic to manage;
  - Lands acquired for a specific purpose and are no longer needed;
  - Lands that could serve important public objectives, such as community expansion and economic development.

- In 2000, Congress passed the Federal Lands Transaction Facilitation Act to allow BLM to use the proceeds from land sales to purchase inholdings from willing sellers and for administration costs.

- The Administration has proposed legislation in recent years to amend FLTFA in order to allow the use of updated management plans to identify areas suitable for sale, allow a portion of the receipts to be used for restoration purposes, and to increase amounts deposited into the Treasury.

- To date, the Secretaries of the Interior and Agriculture have approved $46 million in acquisition projects with FLTFA balances. An additional 20 projects costing $21.7 million are pending approval.

Southern Nevada Public Land Management Act

- SNPLMA was enacted in 1998 to provide an orderly process for the sale of public lands in Clark County, Nevada.

- Approximately 74,000 acres of public land are within the disposal boundary area.

- The disposition of revenues is as follows: 10 percent to the Southern Nevada Water Authority; 5 percent to the State of Nevada General Education Fund; and 85 percent used for projects conducted by land management entities in Interior and the Forest Services. Projects

include the creation of parks, trails, and natural areas; capital improvements; conservation initiatives; multi-species conservation plans; acquisition of lands; and Lake Tahoe restoration projects.

- Through 2006, nearly 13,000 acres were sold for $2.9 billion and approximately 2.1 billion has been approved for projects and $437 million allocated to the Southern Nevada Water Authority and State of Nevada Education Fund.

DOI

Deferred Maintenance Backlog *

($ millions)

Bureau	1999 Total		2000 Total		2001 Total		2002 **	2003 Total		2004 Total		2005 Total		2006 Total		2007 Total		2008 Total	
	Low	High	Low	High	Low	High	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
BIA	4,390	5,940	3,075	3,151	2,954	3,043	2,726	2,498	3,053	2,545	3,110	2,143	2,619	1,955	2,390	2,505	3,062	2,236	3,288
USGS	60	100	50	90	60	100	70	34	40	41	52	38	47	41	51	55	63	41	60
BOR	6	16	28	28	25	25	48	3	44	3	34	1	41	3	44	2	44	1	82
BLM	100	500	193	281	185	332	354	344	732	543	663	387	473	387	473	377	461	423	516
NPS	2,500	6,000	3,046	6,750	4,079	6,798	5,439	3,543	7,592	4,522	9,691	5,798	12,424	5,797	12,423	6,118	13,110	8,231	12,105
FWS	790	1,100	768	1,038	843	1,140	1,500	1,006	1,361	1,284	1,738	1,726	2,336	1,419	1,919	2,636	3,031	2,257	3,319
TOTAL	7,846	13,656	7,160	11,338	8,146	11,438	10,137	7,428	12,822	8,938	15,288	10,093	17,940	9,602	17,300	11,693	19,772	13,189	19,370

* Per the DOI Performance and Acocuntability Reports in accordance with the Federal Accounting Standards Advisory Board standard #6 requiring annual reporting of deferred maintenance.

** In 2002 DOI only reported the high range of the deferred maintenance backlog.

Federal Lands Recreation Enhancement Act

Key Points:

Under The Federal Lands Recreation Enhancement Act (FLREA) fees paid by visitors to certain Federal recreation sites remain within the agency to be used for visitor services and facility improvements.

- **FLREA provides agencies with recreation fee authority for 10 years, which will allow the agencies to retain fee revenue to:**
  - **improve the efficiency of the program,**
  - **provide better facilities and services to the visitors,**
  - **employ greater use of technology, and**
  - **enter into more fee management agreements with counties and other entities to provide additional services to visitors.**
- **FLREA applies to NPS, FWS, BLM, Reclamation, and USFS, and fees collected at certain sites remain with the agency.**
- **The vast majority of Interior's recreation sites remain available free of charge.**

Background:

- FLREA provides for a nationally consistent interagency program, additional on-the ground improvements to visitor services at recreation sites across the nation, a new national pass for use across interagency federal recreation sites and services, and more public involvement in the program.
- FLREA was passed in the 2005 Omnibus Appropriations bill (PL 108-447) signed into law by President Bush on December 8, 2004, and FLREA replaced the Fee Demo program, which was authorized by Congress in 1996.
- FLREA also provides a consistent, interagency fee program that reduces confusion over differing national fee programs and passes as well as:
  - Provides focused criteria and limits on areas and sites where recreation fees can be charged;
  - Reinvests a majority of fees back to the site of collection to enhance visitor services and reduce the backlog of maintenance needs for recreation facilities; and
  - Provides more opportunities for cooperation with gateway communities through fee management agreements for visitor and recreation services, emergency medical services and law enforcement services.

The New National Interagency Pass - America the Beautiful Pass:

- This interagency pass covers entrance fees and standard amenity recreation fees for all Federal recreation lands and waters where a fee is charged and was launched January 1, 2007. It replaces the National Park, Golden Eagle, Golden Age, and Golden Access passes.

- There are four types of passes: the Annual pass that costs $80, a lifetime Senior pass that costs $10, a free lifetime Access pass for those with a disability, and a Volunteer pass that is awarded to those who volunteer at least 500 hours on public lands.
- The pass is available at all sites where fees are charged, as well as at 20 national vendors, and at recreation.gov. A Denver office provides internet sales, telephone sales and fulfillment for individual, bulk field site and third party orders.

Fees under FLREA:

The rationale for charging fees is that those who use specific services and facilities should pay for a larger portion of the costs, rather than require taxpayers who never use the amenities to assume the entire cost. The types of fees that can be collected at certain sites include the following:

- **Standard fees** are typical day use fees. Sites or areas must have specific features and amenities in order to qualify as a fee site.
- **Expanded fees** are fees that provide direct benefits to individuals or groups. They include things like developed campgrounds, cabin rentals, highly developed boat docks and swimming areas. They may also include services like hookups, dump stations, special tours and reservations services.
- **Special Recreation Permits** are for areas where natural and cultural resources need protection or where extra measures are required for the health and safety of visitors. Permits may be required for places like wilderness areas, shooting ranges and specialized trail systems.

Recreation Fee Program *
(in $000's)

	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Estimate	09 Change from 08
BUREAU OF LAND MANAGEMENT												
Unobligated Balance Brought Forward and Recoveries	2,218	3,344	4,749	5,633	5,371	177	7,663	8,443	10,652	10,682	10,782	+100
Plus: Fee Revenues	5,152	6,972	7,632	8,653	10,301	13,250	13,259	15,404	14,550	15,000	15,000	0
America the Beautiful Pass									[800]	[800]	[800]	[0]
Less: Funds Obligated	-4,122	-5,860	-6,904	-9,078	-8,977	-12,594	-12,703	-13,339	-14,520	-14,900	-15,000	-100
Unobligated Balance	3,248	4,456	5,477	5,208	6,695	833	8,219	10,508	10,682	10,782	10,782	0
Total Expenditures (outlays)	3,729	5,501	6,512	8,111	9,324	12,001	12,274	12,933	14,030	14,815	15,545	+730
Obligations by Type of Project												
Asset Repair and Maintenance												
Facilities Routine/Annual Maintenance						2,150	561	2,280	1,750	1,800	1,800	0
Facilities Capital Improvements						1,600	423	423	3,249	3,300	3,300	0
Facilities Deferred Maintenance						1,200	2,280	561	135	100	100	0
Health and Safety Maintenance	1,156	855	1,074	2,614	3,950							
Subtotal, Asset Repairs and Maintenance	1,156	855	1,074	2,614	3,950	4,950	3,264	3,264	5,134	5,200	5,200	0
Interpretation and Visitor Services	638	1,209	1,700	3,000	3,000	3,500	4,126	4,126	4,728	4,800	4,900	+100
Habitat Restoration, Resource Protection	402	1,000	500	600	750	1,800	464	464	57	100	100	0
Law Enforcement, Recreation							2,660	2,660	3,171	3,300	3,300	0
Direct Operational Costs - Collection Costs	1,349	1,896	2,800	1,800	1,127	2,094	1,278	1,278	439	500	500	0
Fee Management Agreement / Reservation Services							911	1,547	991	1,000	1,000	0
Other	577	900	830	1,064	150	250						
Total Obligations	4,122	5,860	6,904	9,078	8,977	12,594	12,703	13,339	14,520	14,900	15,000	+100
U.S. FISH AND WILDLIFE SERVICE												
Unobligated Balance Brought Forward and Recoveries	1,905	2,835	3,400	3,645	3,864	3,952	3,718	4,093	4,318	4,790	4,407	-383
Plus: Fee Revenues	3,385	3,427	3,689	3,557	3,768	3,854	4,288	4,279	4,410	4,500	4,500	0
America the Beautiful Pass								0	[235]	[235]	[235]	[0]
Less: Funds Obligated	-2,566	-2,969	-3,573	-3,407	-3,679	-4,293	-4,357	-4,171	-4,038	-4,983	-5,560	-577
Unobligated Balance	2,724	3,293	3,516	3,795	3,953	3,513	3,649	4,202	4,690	4,307	3,347	-960
Total Expenditures (outlays)	2,166	2,954	3,343	3,354	3,651	4,089	4,159	3,711	3,715	4,500	5,000	+500
Obligations by Type of Project												
Asset Repair and Maintenance												
Facilities Routine/Annual Maintenance						379	393	281	387	500	600	+100
Facilities Capital Improvements						252	297	376	156	300	300	0
Facilities Deferred Maintenance						161	240	440	520	550	600	+50
Health and Safety Maintenance	306	291	355	339	1,253							
Subtotal, Asset Repairs and Maintenance	306	291	355	339	1,253	792	930	1,098	1,063	1,350	1,500	+150
Interpretation & Visitor Services	1,047	2,195	2,620	2,498	1,238	1,697	1,901	1,553	1,632	2,150	2,400	+250
Resource Protection / Habitat Restoration	55	120	143	136	278	327	150	140	91	200	300	+100
Direct Operational Costs - Collection Costs	616	277	327	312	593	578	635	558	595	625	650	+25
Law Enforcement							329	417	260	250	300	+50
Fee Management Agreement and Reservation Services							1	8	8	8	10	+2
Administration, Overhead and Indirect Costs (CAM)							411	397	389	400	400	0
Other **	542	86	128	122	317	899						
Total Obligations	2,566	2,969	3,573	3,407	3,679	4,293	4,357	4,171	4,038	4,983	5,560	+577

Recreation Fee Program *
(in $000's)

	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Enacted	2009 Estimate	09 Change from 08
NATIONAL PARK SERVICE ***												
Unobligated Balance Brought Forward and Recoveries	125,804	187,472	231,958	243,672	269,681	251,511	240,669	284,587	298,072	271,979	220,759	-51,220
Plus: Fee Revenues	141,355	133,626	126,167	142,397	141,202	150,265	148,029	158,691	165,649	174,187	175,187	+1,000
America the Beautiful Pass				[15,309]	[16,846]	[20,344]	[18,642]	[22,212]	[18,777]	[22,000]	[22,000]	[0]
National Park Pass								N/A	3,192			
Less: Funds Obligated	-80,933	-91,535	-116,419	-101,873	-142,309	-141,056	-125,224	-146,617	-194,934	-225,407	-221,146	+4,261
Unobligated Balance	186,226	229,563	241,706	284,196	268,574	260,720	263,474	296,661	271,979	220,759	174,800	-45,959
Total Expenditures (outlays)	65,866	85,339	101,617	106,745	119,282	137,563	123,830	148,511	150,030	169,920	176,000	+6,080
Obligations by Type of Project												
Facilities Routine/Annual Maintenance						54	54	65	1,538	2,500	2,500	0
Facilities Capital Improvements						4,055	1,500	4,500	13,654	19,000	14,000	-5,000
Facilities Deferred Maintenance						77,783	67,500	72,500	101,828	105,000	105,000	0
Health and Safety Maintenance	25,480	36,325	40,929	38,525	80,076							
Subtotal, Asset Repairs and Maintenance	25,480	36,325	40,929	38,525	80,076	81,892	69,054	77,065	117,020	126,500	121,500	-5,000
Interpretation and Visitor Services	12,340	12,643	12,165	9,459	7,588	13,025	10,943	17,500	26,069	35,000	35,000	0
Resource Protection / Habitat Restoration	2,285	3,378	5,585	5,395	17,076	10,957	9,000	8,912	12,000	14,000	14,000	0
Direct Operational Costs - Collection Costs	28,993	27,687	30,578	32,893	34,588	33,840	32,895	33,931	32,770	34,407	35,146	+739
Law Enforcement								500	500	2,000	2,000	0
Fee Management Agreement and Reservation Services							945	1,639	1,645	4,000	4,000	0
Administrative, Overhead and Indirect Costs							2,387	2,387	2,900	9,500	9,500	0
Pass Administration and Overhead								4,683	2,030			
Other	11,835	11,502	27,162	15,601	2,981	1,342						
Total Obligations	80,933	91,535	116,419	101,873	142,309	141,056	125,224	146,617	194,934	225,407	221,146	-4,261
BUREAU OF RECLAMATION									3,849	4,239	4,099	-140
Unobligated Balance Brought Forward and Recoveries									390	250	250	0
Plus: Fee Revenues										-390	-250	+140
Less: Funds Obligated									4,239	4,099	4,099	0
Unobligated Balance										390	250	-140
Total Expenditures (outlays)												
Obligations by Type of Project										390	250	-140
Visitor Services										390	250	-140
Total Obligations												

* The data for the Recreation Fee Program consists of the Recreational Fee Demonstration Program from 1999 - 2004 and the Federal Lands Recreational Enhancement Act program from 2005 - 2009

** For FWS in 2004, other obligations inlcuede 2003 and 2004 CAM costs that was an allcoation of FWS general administrative costs.

*** For NPS, the above information represents accounting changes per FLREA that combine Recreation Fee, National Park Pass, America the Beautiful Pass, and Deed Restricted revenues when reporting obligations and unobligated balances for the Recreation Fee program. This table does not include other programs administered under the Recreation Fee Permanent account such as the Transportation Systems Fund, Education Expenses for the Children of Yellowstone National Park Employees, and the Payment of Tax Losses on Land Acquired at Grand Teton National Park.

DEPARTMENT OF THE INTERIOR
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2008 AND 2009 INITIATIVES
SUMMARY OVERIVEW

KEY POINTS:

- **The 2008 and 2009 President's budgets include major initiatives that address some of the key issues facing the Department of the Interior and the Nation. With the exception Climate Change, which was addressed primarily within the USGS budget, all of the following were standalone initiatives.**
  - **National Parks Centennial**
  - **Healthy Lands**
  - **Safe Indian Communities**
  - **Improving Indian Education**
  - **Birds Forever**
  - **Climate Change**
  - **Oceans and Coastal Frontiers**
  - **Safe Borderlands**
  - **Water for America**

- **The first four initiatives on the above list are a continuation of 2008 initiatives: National Park Centennial, Healthy Lands, Safe Indian Communities and Improving Indian Education.**

- **Individual briefing papers with for each initiative, including a full description and funding tables, follow this summary overview.**

BACKGROUND:

National Parks Centennial — NPS initiated the National Parks Centennial initiative to enhance the national park system over the decade leading to the 2016 centennial celebration.

The National Parks Centennial initiative emphasizes three key themes: to engage all Americans in preserving our heritage, history, and natural resources, through philanthropy and partnerships; to reconnect people with their parks, with a special emphasis on linking children to nature; and to build capacity for critical park operations to sustain these efforts over the next century.

Part of this initiative is the National Parks Centennial Challenge, which will encourage individuals, foundations, and the private sector to donate funding for signature projects and programs by matching donations with up to $100.0 million annually in *dedicated, mandatory* funding.

The 2008 enacted budget included an increase of $121.9 million within the NPS operations account for the National Parks Centennial. With the Centennial funds, NPS: hired 3,000 more seasonal national park rangers, guides, and maintenance workers; repaired buildings; enrolled more children in the Junior Ranger and Web Ranger programs; and expanded the use of volunteers in parks. In 2008 the Centennial Challenge was funded at $24.6 million in

discretionary funding, not the $100 million in mandatory funding that was requested in the 2008 President's Budget and was matched by private donations to start more than $49 million in signature projects.

The discretionary 2009 budget request for park operations is an historic $2.1 billion, including an increase of $160.9 million for the Centennial. As the largest budget ever for park operations, the 2009 budget fulfills the National Parks Centennial promise by increasing funding for park operations. This funding will allow the parks to preserve our Nation's natural and cultural heritage, improve the condition of parks and park facilities, and prepare a new generation of leaders to guide NPS into the 21st century. The initiative will result in increased visitor use, understanding and appreciation of the parks, and improved condition of historic properties and cultural landscapes.

Healthy Lands Initiative — In 2007, the Department initiated the Healthy Lands Initiative—a major, long-term effort to improve the health of public and private lands in the West. The 2008 enacted budget includes $4.9 million for HLI within the BLM, USGS, and the FWS. The 2009 budget requests $21.9 million for the Healthy Lands Initiative, an increase of $14.0 million over the 2008 enacted level

The Healthy Lands Initiative takes a landscape-scale approach to restoration projects and land-use planning. The Initiative considers the health of the land from ridge top to ridge top instead of acre by acre. The health of Western landscapes has been impacted by drought, wildfire, weed invasions, and stresses associated with population growth and increased development and use of the public lands. This Initiative will preserve our public lands for recreation, hunting and fishing, and for their significant habitat for species, while helping to secure energy for this Nation.

Safe Indian Communities — The 2008 enacted budget includes $23.7 million for the Safe Indian Communities initiative to help Indian Country, which is under attack from organized crime and foreign drug cartels. A 2009 increase of $2.9 million will put additional law enforcement agents on the ground in targeted communities in Indian Country and invest in more training for the current force to more effectively combat the problem.

Drug cartels have taken advantage of the widely dispersed law enforcement presence on tribal lands to produce and distribute drugs, resulting in a violent crime rate in some communities that is ten to 20 times the national average. Many tribal leaders rank this as the number one public safety problem on their reservations.

In 2009, Interior will provide additional officers for law enforcement, specialized drug training for existing officers, public awareness campaigns for the Indian public, additional resources to protect tribal lands located on the United States border with Mexico, and additional social workers. The BIA will also expand the use of a mobile meth lab to train tribal police and others about methamphetamine labs, environmental and personal safety hazards, and interdiction and investigation strategies.

Improving Indian Education — As one of just two Federal school systems, the other is operated by the Department of Defense, the BIE system of 184 schools should be a model of excellence and achievement of the goals of the No Child Left Behind Act. Student performance, however, has lagged. Just 30 percent of Indian schools are achieving their annual progress goals. Through this initiative, the Department is implementing a set of education program enhancements designed to increase student achievement.

The 2008 appropriation provided $444.8 million for programs to improve student achievement, an increase of $24.1 million over the 2007 level. The 2009 budget continues funding for these programs and adds another $1.4 million over 2008 for several key activities. Within this funding level, increases are included for formula funding, employee displacement, and technology investments, while funding for education enhancements is reduced to the 2008 President's budget request level.

Birds Forever — The 2009 budget includes increases totaling $9.0 million to fund investments in existing programs that are key to improving information about, and conservation of, birds.

The National Audubon Society released its annual *State of the Birds* and the *Common Birds in Decline* reports in 2007. The reports, drawing on more than 40 years of data, including results from the USGS Breeding Bird Survey, document the alarming decline of some of the Nation's most valued species. On average, populations of common birds have plummeted 70 percent since 1967 and nearly half of the shorebirds that breed in the U.S. have undergone significant declines.

Through the cooperative conservation efforts of joint ventures in three key bird flyways, Interior proposes to leverage the energy and talents of local conservationists and private landowners to help reverse declines in wild bird populations. The 2009 request will fund new conservation partnerships to increase habitat conservation efforts to benefit 36 targeted species, engage citizens in protecting birds through urban bird treaties, and increase survey and banding efforts to generate data to guide management actions and support strategic habitat conservation and monitoring.

Climate Change – The effects of a changing climate present numerous management challenges for the Department, including: the loss of storm water buffers for low-lying areas; reduced stream flow, storage, and water tables; disruptions of biological patterns and interactions between species and their habitat; increased frequency and impacts from storms, drought, insect outbreaks, and other natural hazards; and construction and other problems resulting from permafrost melting.

In 2009, the USGS consolidated funding for global change activities across the bureau into a new integrated budget activity entitled Global Change. The 2009 USGS budget provides $26.6 million for global climate change activities.

Department wide, the 2009 request contains $48.9 million for climate change activities. USGS proposes to enhance Global Climate Change research by expanding the Interior Climate Effects Science Network; FWS proposes addressing Climate Change through the Strategic Habitat

Conservation framework; NPS proposes to refocus investments on Climate Change awareness, management and mitigation; OSM proposes initiating a reforestation/carbon sequestration program for Climate Change; and Reclamation proposes examining the local impacts of Climate Change by region.

Ocean and Coastal Frontiers — The 2009 budget request includes substantial resources to support the Department's diverse ocean, coastal, and Great Lakes program activities and to implement the highest priorities of the Ocean Action Plan.

An increase of $7.9 million for the Ocean and Coastal Frontiers initiative includes $4.0 million to define U.S. jurisdiction of the extended continental shelf under the Law of the Sea requirements to assure that the United States defines and affirms its rightful claim to these areas. The budget also funds partnerships that will leverage Federal efforts to reverse the trend in marine debris accumulating in waters and coasts, conserve coral reefs, and improve ocean science. Marine debris kills marine life, and is so pervasive that significant numbers of albatross ingest it and die. In addition, marine debris interferes with navigation safety, negatively impacts shipping and coastal industries, and poses a threat to human health.

Interior's activities that align with ocean, coastal, and Great Lakes programs total approximately $1 billion annually. Interior has extensive ocean and coastal responsibilities, managing 35,000 miles of coastline, 177 island and coastal refuges, 74 park units comprising 34 million acres, 92 million acres of coral reef ecosystems that include 3.5 million acres of coral reefs, and 1.8 billion underwater acres of Outer Continental Shelf lands. Interior assists the U.S. Territories and Freely Associated States in the management of 3.6 million square miles of ocean. The Department also conducts the science needed to guide better decision-making in the management of these resources.

Safe Borderlands — Interior has an enormous responsibility along the southwest border, managing lands along 793 miles, or 41 percent of the international border with Mexico. In addition, five Indian reservations span the international boundary with Mexico. The 2009 request includes an increase of $8.2 million to provide a safer environment for employees and visitors and to restore ecosystems along the southwest border.

There has been loss to human life stemming from violent, drug-smuggling operations across the border. Drug smugglers armed with assault weapons, encrypted radios, night vision optics, and other sophisticated equipment keep Interior employees under constant surveillance. At San Bernardino National Wildlife Refuge, they even threatened harm to an officer and his family at his home if he didn't return a load of marijuana seized earlier in the day.

Portions of our land along the border have been closed to visitors, and in some cases even to employees, to ensure their safety. Employees cannot go to some of the park, refuge, and public lands without an escort; and their homes, vehicles, and possessions have been vandalized or stolen. The impacts to the lands and resources are extensive, including abandoned vehicles and personal property, roads and trails through sensitive areas, and elevated threats to at-risk species.

Water for America — In 2009 Interior budget request includes a $21.3 million increase for a Water for America initiative that will help communities to secure reliable water supplies through programs to develop and make available new and expanded information, technologies, and partnerships.

The initiative will begin a nationwide assessment of water availability, water quality, and human and environmental water use to be completed by 2019. The assessment is the first water census in 30 years, a precursor to working with States to better manage water. The 2009 proposal includes $8.2 million for U.S. Geological Survey investments in science programs to support the water census, including additional investments of $3.7 million to expand and modernize USGS streamgages.

The initiative evaluates alternatives to respond to changing water needs with an increase of $13.1 million for the Bureau of Reclamation to enhance partnerships and share new technologies. At the watershed level, Interior will partner with State, local, and tribal governments to use new technologies in water planning and management and promote watershed-level solutions. Interior will also partner with urban, rural, and agricultural water users to stretch existing water supplies and implement measures to protect endangered species at high-risk watersheds in 12 States, to help avert water crises.

NATIONAL PARK SERVICE
NATIONAL PARKS CENTENNIAL INITIATIVE
(dollars in millions)

	2006	2007	2008 Enacted	2009 PB	Change from 2008 Enacted
ONPS and USPP Operations (Centennial Commitment)	1,798.8	1,848.6	1,970.6	2,131.5	+160.9
Increase in Park Operations	0.0	0.0	[121.9]	[160.9]	----
Centennial Match (discretionary)	0.0	0.0	24.6	0.0	-24.6
Construction and Land Acquisition	333.3	331.9	262.9	194.3	-68.6
Total, Programs Benefitting Parks	2,132.1	2,180.5	2,258.1	2,325.8	+67.7
Total NPS Budget without Supplementals	2,257.9	2,290.0	2,390.5	2,404.3	+13.8
President's Centennial Commitment *	0.0	0.0	[100.0]	[260.9]	[+160.9]
Centennial Challenge	0.0	0.0	0.0	200.0	+200.0

* $100 million included in park operations increase.

Key Points:

- **On August 25, 2016, the National Park Service will celebrate 100 years of stewardship. This initiative will prepare the parks for another century of conservation, preservation, and enjoyment. These funds will: provide for seasonal workers that serve as national park rangers, guides, and maintenance workers; repair buildings; enroll more children in Junior Ranger and Web Ranger programs at the parks; and expand the use of volunteers in parks.**

- **To prepare the national parks for another century of conservation, preservation and enjoyment, the 2008 President's budget envisioned a partnership of Federal, private and public support with the potential to provide more than $3 billion in new funds over the next ten years.**

- **This partnership included the President's Centennial Commitment that envisions an increase of $100 million per year in appropriate funds over the next ten years for park operations.**

- **The 2009 budget request also continues support for the Centennial Challenge, which is pending action by the Congress. The Challenge invites individuals, foundations, businesses, and the private sector to contribute $100 million annually to support signature programs and projects in our national parks. To encourage these public-private partnerships, the budget proposes to match contributions with up to $100 million of mandatory funding annually through 2016.**

- **Given a full year CR in 2009, the priorities of the Centennial Initiative will be impacted, slowing progress of improvements in the parks.**

Background:

- A vision for the future, the NPS Centennial Initiative is a ten-year effort to get the parks ready to enjoy another century of conservation, preservation, and enjoyment.

- *The Future of America's National Parks*, outlined five overarching goals for the Centennial: **Stewardship** – Lead America in preserving and restoring treasured resources; **Environmental Leadership** – Demonstrate environmental leadership to the Nation; **Recreational Experience** – Offer superior recreational experiences where visitors explore and enjoy nature and the great outdoors, culture, and history; **Education** – Foster exceptional learning opportunities connecting people to parks, especially children and seniors; **Professional Excellence** – Achieve management and partnership excellence to match the magnificence of the treasures entrusted to its care.

- The 2008 President's budget set forth the initial investments to achieve the goals of the Centennial Initiative, with $100.0 million in operating funds and proposed $100.0 million per year of Federal Mandatory funding to match $100 million or more in private philanthropic donations.

2008 Enacted:

- The 2008 appropriation included an increase of $100.0 million in park operations for the President's Centennial commitment; providing the first steps in attaining new levels of distinction in park stewardship, recreational and educational opportunities, environmental leadership, and management and partnership excellence.

- With the Centennial funds, NPS: hired 3,000 more seasonal national park rangers, guides, and maintenance workers; repaired buildings; enrolled more children in the Junior Ranger and Web Ranger programs; and expanded the use of volunteers in parks.

- The Administration introduced the Centennial Challenge Fund legislation that would authorize the use of $100.0 million per year in Federal mandatory funding to match $100 million in private philanthropic donations to the National Park Service. This legislation was not enacted in 2008.

- In 2008 the Centennial Challenge was funded at $24.6 million in discretionary funding, not the $100 million in mandatory funding that was requested in the 2008 President's Budget and was matched by private donations to start more than $49 million in signature projects.

- The appropriation also provided an increase of $54.0 million for fixed costs.

2009 Budget:

- The 2009 President's budget provides an increase of $160.9 million in park operations and fixed cost for the second year of the Centennial Initiative.

- A total of $79.4 million to build park operational capacity, including increases for core operations, facility management, Park Police operations, and youth partnership programs. An increase is also included for parks along the southwest border.

- An additional $45.8 million to care for America's treasures. Using a combination of flexible park base dollars and focused project funding, the Park Service will improve the health of natural and cultural resources and continue to manage park facilities and assets in good condition.

- An additional $8.0 million to strengthen organizational capacity and employee development through Service-wide employee development programs and enhanced performance management tools.

- As proposed in the 2008 President's budget, the Centennial Challenge invites individuals, foundations, businesses, and the private sector to contribute at least $100 million annually to support signature programs and projects in our national parks. To encourage these public-private partnerships, the 2009 budget proposes to match these contributions with up to $100.0 million of mandatory funding annually through 2016. Legislation is pending.

2009 CR:

- Given a full year CR in 2009, the priorities of the Centennial Initiative will be impacted by:
    - The absorption of $45.6 million in fixed cost increases, greatly impacting the effectiveness of preparing the parks for the next century;
    - Potential loss of up to 3,000 seasonal employees; and
    - The loss of the 2008 increases in the facility maintenance and repair/rehabilitation subactivities.

	2008 Enacted	2009 Request	2009 CR	2009 CR (43%) thru 3/6/2009	Change from 2008 Enacted
Centennial Challenge Match	24.6	0	24.6	10.6	-14

- During a 2009 CR, the Centennial Challenge is funded at the 2008 level in a discretionary account. The current continuing resolution funds the centennial challenge at $10.6 million or 43 percent of the 2008 enacted level. Projects for this level of funding have been selected, approved by Congress and the process to implement them has begun.

BLM, USGS, AND FWS
HEALTHY LANDS INITIATIVE

(Dollars in millions)

	2007 Actual	2008 Request	2008 Enacted	2009 Request	2009 PB vs. 2008 Enacted
Bureau of Land Management	3.0	15.0	4.9	14.9	+10.0
U.S. Geological Survey	0	5.0	1.5	5.0	+3.5
Fish and Wildlife Service	0	2.0	1.5	2.0	+0.5
Total	3.0	22.0	7.9	21.9	+14.0
Change from 2007			+4.9	+18.9	

Note: An additional $8.2 million in BLM base funding supports the HLI

Key Points

- **The Healthy Lands Initiative is a multi-year program to implement large-scale, focused habitat restoration and conservation projects on BLM-managed public lands.**

- **The goal of the Healthy Lands Initiative is to preserve the diversity and productivity of public and private lands across the landscape, utilizing a science-based, collaborative approach.**

- **Appropriated funds are matched through partnerships to increase land restoration treatments across all jurisdictions.**

- **In 2007 and 2008, the BLM focused its efforts on adjoining State and private lands in six specific geographic areas of the West (called HLI emphasis areas) while maintaining other uses of the land, including access for energy development.**

Discussion

- The HLI was launched to accelerate restoration, increase productivity and improve the health of public lands in the Western United States. The HLI focuses on landscape-level (rather than a species-by-species) approach to improving land health in response to a multitude of pressures, including: increased urban-suburban development; increased outdoor recreational activity; rising demands for energy; impacts from large-scale wildfires; and the effects of ongoing weed invasions.

- With its landscape-level focus, the Healthy Lands Initiative allows land managers to accommodate important uses of the public lands while preserving vital habitat and wildlife corridors and habitats to ensure the health of species. Partners work

together at the state or regional level to assess landscape conditions; determine resource management issues, objectives, and needs; select and prioritize focal areas; develop cohesive landscape level plans; and implement landscape-scale vegetative treatments across various ownerships.

- In 2007, $2.0 million in partnership contributions were received in response to the $3.0 million in BLM's HLI funding. An estimated $3.4 million in partner contributions were expected to leverage the $4.9 million in BLM HLI funds in 2008.

- The HLI will help BLM respond to the need for more abundant and healthier habitat for species while at the same time maintaining or increasing access to the public lands for energy development, recreation and other important public uses.

- The BLM originally identified six HLI emphasis areas: New Mexico (San Juan Basin and Permian Basin); Utah; Southeast Oregon-Southwest Idaho-Northern Nevada; South-central Idaho (Snake River Plain); Southwest Wyoming (Green River Basin area); and Southwestern Colorado. The focal areas were selected due to an urgent need to maintain, improve, and restore wildlife habitat for species of concern to help preclude the need to list those species by taking a landscape-level approach.

- The 2009 President's budget request proposes to expand the landscape restoration component of the Healthy Lands Initiative to seven HLI emphasis areas by adding California and expanding the Colorado emphasis area to include the northwest portion of the State.

- While the Initiative supports on-the-ground restoration efforts, its pioneering vision requires land use and resource management planning that coordinates across land units and integrates planning on a landscape-scale. Landscape-scale assessments are conducted in various ways, such as compiling data in-house from many sources into one assessment, hiring an entity such as the Nature Conservancy to conduct a comprehensive assessment, or engaging USGS to conduct an ecological assessment and develop monitoring protocols. Assessments form the basis of planning at a landscape or regional level by helping managers select and prioritize high priority areas for conservation and restoration and determine critical regional needs. Each partner ensures compliance with applicable land use regulations and policies.

- The BLM will work with the USGS and with other partners in these targeted areas to conduct regional assessments and to implement regional monitoring protocols. These assessments and protocols will help ensure that project work is appropriately focused and will help the BLM evaluate and report on project effectiveness.

- Land health assessments and planning are critical to the success of the Healthy Lands Initiative. The BLM will continue to collaborate with USGS and FWS to refine and institutionalize the process for conducting regional assessments and related information on land health required for project implementation, monitoring, and adaptive management, and to complete any required planning, environmental assessments and clearances needed to implement HLI restoration and conservation projects.

- The FWS's HLI efforts are focused in the Green River Basin area of Wyoming. FWS provides planning and consultation expertise to BLM to ensure that energy development impacts to wildlife and habitat are effectively mitigated and listing of species is avoided; undertakes species conservation activities on federal and non-federal lands; and provides increased assistance to private landowners in the area to improve habitat and protect species on private lands to complement the BLM efforts on public lands.

- In 2007, the $3.0 million in BLM HLI funding directly paid for treatments on 72,000 acres of BLM land. The treatments included: improving wildlife habitat and vegetative conditions on 48,136 acres of shrub/grass/woodland; reducing fuels and improving the composition of herbaceous vegetation on 18,377 acres outside the WUI and 4,986 inside the WUI; and improving 580 acres of wetlands. In addition, partnership contributions and cooperation resulted in treatments on non-BLM lands within the same critical watersheds as the treated BLM lands, further enhancing and improving priority wildlife habitat, and reducing habitat fragmentation.

- BLM estimated that the $4.9 million in new HLI funding in 2008 would accomplish the following: improve 123,000 acres of shrub/grass/woodlands; apply invasive species control treatments on 5,000 acres; and enhance 77 miles of streams.

- In FY 2009, the DOI bureaus will undertake the following program policy and program development, in order to better facilitate the development and operation of landscape scale partnerships:

    - Engage the Western Governors Association, the National Association of Counties, the Western Association of Fish and Wildlife Agencies, other federal agencies, NGOs, and other entities to identify how we can collectively encourage landscape level partnerships;
    - Review existing landscape level partnerships to evaluate governance arrangements and to identify impediments to the development and operation of landscape scale conservation and restoration partnerships;
    - Evaluate how existing landscape partnerships are "pooling" their resources to identify conservation and restoration focal areas, to design and implement projects and to monitor at a landscape scale;

- Propose specific recommendations regarding the division of labor among the DOI bureaus to support landscape-level conservation and restorations efforts and develop an inter-bureau strategy outlining actions the DOI bureaus will implement to support landscape-level conservation and restoration activities;
- Develop and share tools to facilitate the completion of rapid regional assessments, to incorporate the results of these assessments into resource management plans and programs, to assist with the project design and implementation, and to encourage the development of landscape scale monitoring programs; and
- Review and provide recommended changes to existing performance and output measures for tracking and reporting on progress in HLI areas.

Background

- BLM, USGS, and FWS cooperatively developed the HLI process as a multi-step, conceptual framework to facilitate implementation of the Initiative. This process is summarized below in seven steps,

1) **Identify programmatic goals:** Working with partners, the first step is to develop broad programmatic goals for the region of interest, e.g., the Uncompahgre Plateau or the Northern Great Basin.

2) **Conduct regional assessments:** Assessments are conducted at a broad regional scale using existing information. Every attempt will be made to use existing information. Where there is no existing data, ecological assessments, such as those conducted by USGS will be done. The assessments are essential in helping understand existing resource conditions and potential threats and risks. They also help identify the key management issues and questions that need to be addressed. After the management issues and questions are established, priority focal areas for conservation and restoration are identified. These focal areas are defined based on important attributes, such as land use, habitat features, and natural resources.

3) **Review of existing Plans for Conformance:** Existing plans and strategies are reviewed to ensure that potential conservation and restoration activities in the identified focal areas are in conformance with existing agency decisions. If not, either the activities must be modified or the controlling plans amended.

4) **Conduct assessments of focal areas and select potential conservation and/or restoration actions:** Focal area assessments are conducted using finer scale measures of key attributes of landscape function such as wildlife calving grounds and winter range, sage-grouse lek sites, plant distributions, riparian habitat condition, invasive species concentrations, and other key watershed health attributes in addition to existing or planned land uses. Potential project sites are

selected where conservation or restoration measures can be implemented that serve the goals of the partnership.

5) **Prepare Project Plans and Associated NEPA:** Following identification of potential project sites and project plans, appropriate NEPA documentation is prepared to analyze anticipated impacts.

6) **Implement restoration or conservation actions:** Implementation of conservation and restoration actions in the designated focal areas is based on the overall goals and priority management issues identified by the partners and the priority conservation and restoration actions identified through the assessments. Over time, as knowledge gained from the targeted inventory, monitoring, and research program developed for the HLI project area provides feedback to managers, adaptive management principles will allow them to improve upon the effectiveness and efficiencies of the next generation of conservation actions.

7) **Implement site-specific monitoring:** Monitoring the effectiveness of the conservation and restoration actions is fundamental to the HLI adaptive management process. The monitoring protocols for individual sites must be consistent across agencies and the HLI landscape project area. This allows for comparisons between different sites within the project and for assessment of the overall effectiveness of the HLI program at the landscape level. Site specific monitoring will need to cover the life cycle of the action.

SAFE INDIAN COMMUNITIES
(in millions of dollars)

	2008 Enacted	2009 Pres. Bud.	2009 PB vs 2008 Enacted
LAW ENFORCEMENT SERVICES			
BIA Criminal Investigation and Police Services	137,275	138,148	+873
BIA Inspections/Internal Affairs	3,189	3,187	-2
BIA Tribal Law Enforcement and Special Initiatives - Methamphetamine	13,817	15,022	+1,205
BIA Law Enforcement Program Management	4,749	3,521	-1,228
Tribal Justice Support	1,457	1,462	+5
BIA Indian Police Academy	3,627	3,589	-38
Subtotal, Law Enforcement Services	164,114	164,929	+815
DETENTION AND CORRECTIONS			
BIA Detention/Corrections Staffing	64,023	64,648	+625
Subtotal, Detention and Correction	64,023	64,648	+625
COMMUNITY SAFETY			
BIA Social Workers	-	1,500	+1,500
Subtotal, Community Safety	-	1,500	+1,500
TOTAL, SAFE INDIAN COMMUNITIES	**228,137**	**231,077**	**+2,940**
SUMMARY BY BUREAU			
Bureau of Indian Affairs	228,137	231,077	+2,940
Increase over 2007	+23,683	+26,623	

Key Points:

- **The Safe Indian Communities initiative provided $50.3 million in increases over 2008 and 2009 to combat the production and distribution of methamphetamine by organized crime and drug cartels, to address related effects including drug abuse, child neglect and abuse, and increase staffing for detention centers.**

- **Tribal leaders have identified methamphetamine as the single most critical issue facing Indian communities, with leaders suggesting that an entire generation of young people may be lost to this one drug.**

Background:

- Violent crime in Indian country is reaching crisis levels, with a rate for violent crime that is twice the national average. Methamphetamine is a major underlying cause of this crisis and is estimated by the Federal Bureau of Investigation to be the cause of up to fifty percent of violent crime in Indian country. As one example, the Ute Mountain Ute Reservation has a homicide rate nearly fifty times the national average.

- The ONDCP and the DEA estimate that over 80 percent of methamphetamine is now smuggled into the United States from Mexico by drug trafficking organizations that have specifically targeted Indian country for exploitation due to its vulnerable population and limited law enforcement capacity. As an example, on the Black Feet reservation, two police officers may cover as much as 2,400 square miles during one shift, including seven communities and two U.S. ports of entry.

- Sixty percent of BIA law enforcement agencies have reported increased methamphetamine arrests over the past year. They have reported a sixty-four percent increase in domestic violence and assault/battery due to methamphetamine. And they attribute a forty-eight percent increase in child abuse and neglect to methamphetamine.

FY 2008

- In 2008 the Department requested$16.0 million for the Safe Indian Communities initiatives, with increased funding for law enforcement officers, detention personnel, specialized drug training, and a methamphetamine public awareness campaign. Congress fully funded the request, and added an additional $7.6 million for methamphetamine related activities.

FY 2009

Criminal Investigations, Police Services & Law Enforcement Projects:

- The FY 2009 budget request for Criminal Investigations, Police Services and Law Enforcement Projects is $164.9 million, an increase of $815,000 million over the FY 2008 enacted budget. This increase includes fixed costs.

- The budget includes $6.3 million to combat the highly visible drug crisis by expanding specialized drug enforcement training for BIA and tribal officers. Currently, BIA only has 11 certified drug enforcement officers to pursue drug-related crime on more than 56 million acres of Indian Country. In 2008 BIA will train 100 police officers and criminal investigators to become certified drug enforcement officers in 2008; and BIA projects and additional 200 officers will be trained in 2009.

- Additionally, these funds will allow for a more robust methamphetamine public awareness campaign to educate the at-risk American Indians about the dangers of methamphetamine and its affects on both physical and mental health. The education campaign will utilize the highly successful "mobile meth labs" to alert communities to the warning signs of clandestine drug labs and the environmental dangers associated with these toxic environments.

Detentions/Correction:

- The FY 2009 budget request for Detention and Corrections is $64.6 million, an increase of $625,000 over the FY 2008. The increase includes fixed costs.

- Increased staffing levels and training are critical because of the increase in violent offenders incarcerated in BIA and tribal centers due to methamphetamine related crimes. The proposed funding increase will allow the Division of Corrections to staff its detention centers to safe and secure levels in line with National Institute of Corrections (NIC) guidelines.

IMPROVING INDIAN EDUCATION INITIATIVE

(dollars in millions)

	2008 Enacted	2009 Request
Indian Education Initiative	+24.1	+1.4

Key Points:

- **The 2008 appropriation included an increase of $24.1 million to complete a set of comprehensive reforms of the educational programs and to provide key programmatic enhancements.**

- **The 2009 budget request includes an increase of $1.4 million in key activities to continue to promote gains in student achievement.**

Fiscal Year 2009 Initiative Components:

- Indian School Equalization Program (ISEP) – Formula funds are the primary source of funding for the BIE schools. ISEP funds directly support schools for core costs of operating education programs such as salaries for teachers, aides, administrators, and support staff; and supplies and classroom materials. The 2009 request of $367.8 million for ISEP formula funds includes increases of $6.5 million in teacher pay.

- Program Enhancements — The 2009 request funds education enhancement programs at the 2008 President's budget level of $5.2 million. Funding will be used to assist schools required to restructure under the provisions of the No Child Left Behind Act and for reading programs, tutoring, mentoring, and intensive math and science initiatives at schools that are required to take corrective action to promote student achievement.

- Student Transportation — The 2009 request of $46.9 million funds transportation at a level comparable to the 2008 budget request. The rural BIE school service populations are widely dispersed; school buses travel over 15 million miles annually, often over gravel or dirt roads. The 2009 request will fund transportation needs at $2.87 per mile.

- Employee Displacement Costs — The 2009 request includes $18.7 million for Education Program Management, including an $1.5 million for employee displacement costs at five schools expected to convert from Bureau-operated to contract or grant status. Funding will cover the payment of separation costs to BIE employees not eligible for retirement and who are not retained by the grantee.

- Education Information Technology — The 2009 budget request includes $7.4 million, an increase of $1.3 million, to provide expanded bandwidth for the IT infrastructure for all BIE software applications. The education network serves 184 schools, 16 tribal colleges and universities, adult learning centers, and libraries. Funding also provides filtering and more comprehensive system monitoring for Internet content as required by the Children's Internet Protection Act.

SAFE BORDERLANDS

$000	2007	2008	2009 Pres. Bud.	2009 PB vs. 2008 Enacted
SUMMARY BY BUREAU				
Bureau of Land Management	3,236	7,174	8,174	+1,000
Fish and Wildlife Service	17,088	17,117	18,117	+1,000
National Park Service	11,070	10,897	16,097	+5,200
Bureau of Indian Affairs	12,388	12,195	13,195	+1,000
Office of Law Enforcement & Security	489	481	481	-
TOTAL, DEPARTMENT OF THE INTERIOR	**44,271**	**47,864**	**56,064**	**+8,200**

Key Points:

- **The 2009 budget proposes an increase of $8.2 million for the Safe Borderlands initiative.**

- **The mission of this initiative is to provide a safe environment for people and protect resources through the focused deployment of personnel, restoration of ecosystems, and integrated partnerships along the southwest border.**

- **This initiative provides increases for the National Park Service, Fish and Wildlife Service, Bureau of Land Management, and the Bureau of Indian Affairs.**

Background:

- The Department's land management bureaus manage lands along 793 miles, or 41 percent of the southwest border. This includes seven national wildlife refuges, six national parks, lands managed by the Bureau of Reclamation along 12 miles of the border, and public lands managed by the Bureau of Land Management along 191 miles of the border. In addition, five Indian Reservations are on the international boundary with Mexico.

- There are risks for the employees and visitors to these parks, refuges and public lands. Areas are closed to visitors because there is a high likelihood that they will encounter illegal activities, trash, or other impacts. Employees that live on site and residents of Indian communities contend with the potential threat of vandalism, theft and confrontation with illegal activities. Wildlife populations and their habitats and cultural resources are impacted and damaged by these activities.

- In 2007, nearly 200,000 illegal aliens crossed public lands along the southwest border, up from 17,800 in 2001—an 11-fold increase. Drug cartels run violent, drug-smuggling operations across the border, as evidenced by the 2,700 pounds of cocaine and 742,000 pounds of marijuana seized in 2007.

- There has also been loss to human life, with the homicides of five illegal aliens at Buenos Aires National Wildlife Refuge in 2005 and the death of National Park Service ranger Kris Eggle, who was shot and killed at Organ Pipe Cactus National Monument by a Mexican drug runner.

Ensure Safety for Visitors, Residents, and Employees

- This initiative will deploy 63 additional law enforcement officers in the impacted bureaus to protect employee housing areas, recreational areas, Indian reservations, and other high-use sites from criminal activities.
  - NPS will hire 34 additional officers to be deployed to four National Parks close to the border.
  - FWS will hire 8 additional officers to be deployed to four different refuges close to the border.
  - BLM will hire 9 additional officers to be deployed in California, Arizona, and New Mexico.
  - BIA will hire 12 officers for tribes in Arizona that are in close proximity to the border.

- Additional funding will be used to patrol NPS campgrounds, BLM recreational areas, and other lands where smuggling activities threaten visitors.

- The increased law enforcement presence will deter illegal activity in employee housing areas.

- The additional officers will provide security for employees engaged in field work such as biologists conducting wildlife surveys and monitoring activities.

- Funding will be used to educate visitors and employees on border security risks and safety measures, including increased signage and new brochures for all bureaus.

- The Department will coordinate with partner agencies to enhance Interior's efforts.

- Details are provided on the attached table.

Improve Communications and Enhance Coordination

- The additional funding will enhance communication capabilities for field employees and expand encryption to deter criminal eavesdropping.
  - The 2008 funding will increase radio coverage and dispatch capability at BLM's Phoenix Interagency Dispatch Center.
  - The 2008 increase will also fund radio coverage at the BLM Amistad National Recreation Area.

- Interior will enhance coordination with DOJ on drug smuggling and cross-border interdiction efforts.

Mitigate Environmental Damage

- Interior will identify, evaluate, and mitigate damage to high priority sites (natural, cultural) at parks and refuges, and recreation areas.

- Improve signage for visitors and others at parks, refuges, and recreation areas.

BIRDS FOREVER INITIATIVE
2009 BUDGET SUMMARY

(dollars in thousands)

Birds Forever Funding	FY 2009 Request
Fish and Wildlife Service	
Migratory Bird Management	
Focal Species	+2,000
Conservation and Monitoring	+2,200
Joint Ventures	+3,900
NAWCA	+667
U.S. Geological Survey	
Population Research	+1,000
Total, Birds Forever	+9,767

Key Points:

- **The 2009 budget request includes an increase of $9.8 million in support of the President's commitment to the Birds Forever Initiative.**

- **Of the $9.8 million increase, $8.8 million is for Fish and Wildlife Service to fund joint venture partnerships, inventory and monitoring activities, habitat restoration programs, and $1.0 million is for U.S. Geological Survey's strategic habitat conservation and monitoring efforts such as the breeding bird survey. The FWS component includes:**
    - **+$3.9 million for Joint Ventures,**
    - **+$4.2 million for migratory bird conservation and monitoring,**
    - **+$667,000 for the North American Wetlands Conservation Fund**

Background:

In June 2007, the National Audubon Society issued a report, *Common Birds in Decline*, based on an analysis of the Society's Christmas bird counts and breeding bird surveys performed by the U.S. Geological Survey. The report indicates a significant decline occurring in 20 common species, including the Eastern meadowlark, field sparrow, and common grackle. The report illustrates the status of these and other species, some of which have declined by 80 percent.

These declines of well-known backyard birds lessen the public's links to nature and mark a palpable decrease in their quality of life. The decline of these birds is accompanied by:

- The loss of diversity in wildlife and in ecosystems;
- Impacts on plant species pollinated by these birds; and
- Impacts on predator and prey species that rely on these birds as a food source or are controlled by these species.

To assure healthy and sustainable bird populations, the Birds Forever initiative has three goals:

- Habitat conservation to benefit 36 targeted species through partnerships;
- Improved information to guide management actions; and
- Engaging citizens in wild bird conservation efforts.

FY 2009 Budget:

- +$3.9 for FWS Joint Ventures, focusing on the coastal, central and intermountain flyways as well as new joint ventures in the Appalachian Mountains, northern Great Plains, and the Rio Grande corridor.
- +$4.2 million for FWS migratory bird conservation and monitoring. Activities include developing and implementing species specific action plans and expanding FWS monitoring and evaluating activities.
- +$1.0 million for the USGS to provide the science that supports development of the action plans by expanding its capabilities for population and habitat modeling, landscape characterization and assessment, integrated monitoring, and biological information management at landscape scales, and
- +667,000 for FWS North American Wetland Conservation Fund grants, to fund additional grants.

CLIMATE CHANGE
CROSSCUT PROGRAM
(dollars in millions)

	2007	2008	2009 Request	Change from 2008 Enacted
U.S. Geological Survey		7.4	26.6	+19.2
Base Realignment		21.3	0.0	-21.3
TOTAL	**0.0**	**28.7**	**26.6**	**-2.1**
FTE				0.0

Key Points:

- **The 2009 budget request from the Department is $26.6 million for climate change activities.**

- **The 2009 USGS budget retains $5.0 million of the 2008 increase of $7.4 million and realigns base funding for total program of $26.6 million.**

- **The 2009 request retains $5.0 million to continue support for the National Global Warming and Wildlife Science Center.**

- **USGS proposes to enhance Global Climate Change research by expanding the DOI Climate Effects Science Network.**

Background:

- The Department of the Interior has a National leadership role in the stewardship of lands and waters to reduce risks; maintain healthy lands, waters, and wildlife; and contribute to greenhouse gas mitigation in a dynamic environment affected by climate change.

- The Climate Change Crosscut Program is challenged to gather evidence of climate change and to develop trend analyses that DOI bureaus can use to create adaptive management strategies to mitigate or adapt to the effects of climate change.

- Warming temperatures potentially will result in significant changes on the landscapes managed by the Department. The desired outcome from this activity is to establish a network of climate change observation points to provide scientific baseline information to help Interior land and water managers adapt to climate change.

- The effects of a changing climate present numerous management challenges for the Department, including: the loss of storm water buffers for low-lying areas; reduced stream flow, storage, and water tables; disruptions of biological patterns and interactions between species and their habitat; increased frequency and impacts from storms, drought, insect outbreaks, and other natural hazards; and construction and other problems resulting from permafrost melting.

- The Department lacks systematic information, trend analyses, and integration of data to anticipate and adapt to these effects. As manager of 507 million acres, the Department must

provide national leadership for developing climate science and develop adaptive management strategies for climate impacts.

Discussion:

- In 2008, Congress for the first time appropriated $7.4 million to the USGS for high priority global climate change research efforts, and to establish the National Global Warming and Wildlife Science Center.

- The USGS Climate Change Science Strategy is to initiate an integrated study of the impacts of climate change on some of the Nation's most sensitive lands to integrate geologic, biologic, hydrologic, and geographic information.

- The USGS established the Climate Change Monitoring Network to provide high-quality, long-term data on major variables to better understand changes in ecosystem processes at a local and regional scale useful for DOI managers.

- In 2009, the USGS consolidated funding for global change activities across the bureau into a new integrated budget activity entitled Global Change. The 2009 budget provides $26.6 million to continue these global climate change activities.

- In order to understand ongoing ecological processes, the National Global Warming and Wildlife Science Center is monitoring the effects of global change on physical parameters such as temperature, the timing and intensity of precipitation, surface water flow, sea level, and timing of snow melt. This work will result in regional assessments of the forecasted effects of global change on wildlife and their habitats at a scale appropriate to natural resource managers and will be used by managers to anticipate, minimize or compensate for future negative effects of global change on wildlife.

- In 2009, improvement of the Alaskan permafrost monitoring network in the Yukon River Basin site and on Alaska's North Slope will provide new information at better spatial resolution regarding the areas covered by both continuous and discontinuous permafrost. This new information will provide valuable input for modeling changes to permafrost under varying climate change scenarios in the future.

- An additional $3.7 million for the National Satellite Land Remote Sensing Data Archive in the Land Remote Sensing sub-activity and $1.1 million in the Biological Research and Monitoring activity contribute to CCSP but are not included in the proposed new budget activity.

DEPARTMENT OF THE INTERIOR
OCEANS AND COASTAL FRONTIERS

$000	2008	2009 Pres. Bud.	2009 PB vs. 2008 Enacted
SUMMARY BY BUREAU			
Fish and Wildlife Service		900	+900
USGS	2,295	9,295	+7,000
TOTAL, DEPARTMENT OF THE INTERIOR	**2,295**	**10,195**	**+7,900**

Key Points:

- **The Interior Department has substantial mission responsibilities for the management of ocean and coastal resources and for the development of ocean and coastal science and information. The Department as a whole spends over $950 million annually on ocean related activities.**

- **In 2009, the Department requested a $7.9 million increase for an Ocean and Coastal Frontiers initiative to focus on mapping the extended continental shelf in cooperation with the National Oceanic and Atmospheric Administration, clean-up marine debris and determine its source, conduct ocean research, and improve ocean and ocean and coastal resources in collaboration with partners.**

Background:

- The Department has substantial mission responsibilities for the development of science and information for decision-making; for resource management, conservation, and restoration, and to provide recreational and educational opportunities for the public.

- Interior manages 35,000 miles of coastline, 169 island and coastal refuges, 92 million coral reef ecosystem acres, in which there are approximately 3.5 million acres of coral reefs, 34 million acres in 74 coastal parks, 1.8 billion underwater acres of outer continental shelf lands, and 4 U.S. territories (1.4 million sq. mi. of ocean) and 3 Freely Associated States (2.2 million sq. mi. of ocean).

- Bureaus with ocean and coastal responsibilities include:
  - The Minerals Management Service is responsible for implementing the Coastal Impact Assistance Program and managing energy development on the Outer Continental Shelf in an environmentally sound manner.

- The U.S. Geological Survey provides scientific research studies to Departmental bureaus to inform and enhance management of oceanic and coastal resources.
- The U.S. Fish and Wildlife Service manages oceanic and coastal lands and waters, including coral reefs and marine protected areas, managing certain marine mammals and endangered species, as well as management of grant programs that support ocean and coastal resources.
- The National Park Service is responsible for managing its coastal lands.
- The Office of Insular Affairs coordinates Federal administrative responsibilities in the territories.
- The Natural Resource Damage Assessment and Restoration Program collects and analyzes information concerning damage to natural resources and develops and implements restoration plans.

- In addition, Interior has gained new responsibilities:
  - **Extended Continental Shelf** - The Law of the Sea requires mapping beyond the current 200-mile limit. For the U.S., this could require mapping an additional 386,000 square miles of seabed that could potentially come under U.S. jurisdiction.
  - The new **Papahānaumokuākea** Marine National Monument increased Departmental responsibilities on 89 million acres of marine resources.
  - **Energy Policy Act of 2005** - Congress significantly increased Interior's renewable energy role through the Energy Policy Act, including such things as wave energy and off-shore wind energy farms.

Discussion:

The Department's goal is to increase the understanding of marine and coastal environments (including those on the Extended Continental Shelf); promote the effective management of marine debris issues and coral reefs; and to collaborate with the States and other partners to improve ocean and coastal resource. Components of the 2009 budget increases include the following.

- <u>Goal 1: Expand the Frontiers of Scientific Information:</u>
  - In 2009, a requested increase of $4 million for the USGS will support efforts in the Arctic region that has unanimously been identified as the priority region for initial efforts and potentially contains large formations bearing hydrocarbons that are critical to national energy security. The U.S. Extended Continental Shelf (ECS) is estimated to exceed 1 million square kilometers and includes energy and mineral resources with an estimated value in excess of $1 trillion. The increase in funds will provide for data collection to enable the United States to develop a successful claim to the ECS.
  - The 2009 request also includes $1.0 million for USGS studies and projects related to ocean mapping and monitoring. Products of this collaborative effort will include comprehensive and coordinated priorities, standards,

and strategies for enhancing and integrating observational systems to better meet management objectives regionally and nationally.

- The U.S. Geological Survey has established as a priority the need to improve the understanding of ocean and coastal environments through targeted research into several areas including the development of tools capable of forecasting and evaluating the success of restoration, mitigation, and conservation programs; forecasting coastal inundation hazards due to hurricanes and sea-level rise; to quantify coral reef ecosystem vulnerability and provide tools to anticipate future change and evaluate marine managed area practices; and other research priorities.

- Goal 2: Address Marine Debris and Coral Reefs
  - A 2009 requested increase of $500,000 would fund partnership efforts with the National Fish and Wildlife Foundation and international corporations to remove and dispose of marine debris from the Papahānaumokuākea National Monument.
    - Marine debris has become a critical threat to ocean and coastal habitat. It includes derelict fishing gear and plastics that continue to affect our marine ecosystems and the living resources that inhabit them. Annually more than 9,000 pounds of plastic alone are brought to Midway National Wildlife Refuge my albatross and fed to their chicks.
  - A 2009 increase of $400,000 for the USF&WS will support a unique, high-profile, cooperative conservation partnership and habitat restoration efforts with The Nature Conservancy, the U.S. Geological Survey, and researchers from eight noted marine science institutions. The U.S. Fish and Wildlife Service manages the Palmyra Atoll National Wildlife Refuge and participates in the associated research consortium. The Palmyra Atoll Research Consortium will also apply $1.5 million in private funds for research efforts which will guide future management of the wildlife refuge, support world class research projects, and restore rare habitats damaged by historic military activities and invasive species.

- Goal 3: Improving Ocean and Coastal Resources through Collaboration
  - The 2009 request includes an increase of $2.0 million for the Department, in collaboration with other federal agencies, to develop the tools, information, and management frameworks required to address pressing national issues where they have been established as critical to regional priorities. Established regional governance plans provide the framework for implementation of targeted programs in several regions of the United States(Great Lakes, West Coast, Gulf of Mexico, and Northeast).

SAFE BORDERLANDS

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Key Points:

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- **This initiative is to provides a safe environment for people and protect resources along the southwest border.**

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Background:

- The Department's land management bureaus manage lands along 793 miles, or 41 percent of the southwest border. This includes seven national wildlife refuges, six national parks, lands managed by the Bureau of Reclamation along 12 miles of the border, and public lands managed by the Bureau of Land Management along 191 miles of the border. In addition, five Indian Reservations are on the international boundary with Mexico.

- There are risks for the employees and visitors to these parks, refuges and public lands. Areas are closed to visitors because there is a high likelihood that they will encounter illegal activities, trash, or other impacts. Employees that live on site and residents of Indian communities contend with the potential threat of vandalism, theft and confrontation with illegal activities. Wildlife populations and their habitats and cultural resources are impacted and damaged by these activities.

- In 2007, nearly 200,000 illegal aliens crossed public lands along the southwest border, up from 17,800 in 2001—an 11-fold increase. Drug cartels run violent, drug-smuggling operations across the border, as evidenced by the 2,700 pounds of cocaine and 742,000 pounds of marijuana seized in 2007.

- There has also been loss to human life, with the homicides of five illegal aliens at Buenos Aires National Wildlife Refuge in 2005 and the death of National Park Service ranger Kris Eggle, who was shot and killed at Organ Pipe Cactus National Monument by a Mexican drug runner.

Ensure Safety for Visitors, Residents, and Employees

- This initiative will deploy 63 additional law enforcement officers in the impacted bureaus to protect employee housing areas, recreational areas, Indian reservations, and other high-use sites from criminal activities.
  - NPS will hire 34 additional officers to be deployed to four National Parks close to the border.
  - FWS will hire 8 additional officers to be deployed to four different refuges close to the border.
  - BLM will hire 9 additional officers to be deployed in California, Arizona, and New Mexico.
  - BIA will hire 12 officers for tribes in Arizona that are in close proximity to the border.

- Additional funding will be used to patrol NPS campgrounds, BLM recreational areas, and other lands where smuggling activities threaten visitors.

- The increased law enforcement presence will deter illegal activity in employee housing areas.

- The additional officers will provide security for employees engaged in field work such as biologists conducting wildlife surveys and monitoring activities.

- Funding will be used to educate visitors and employees on border security risks and safety measures, including increased signage and new brochures for all bureaus.

- The Department will coordinate with partner agencies to enhance Interior's efforts.

- Details are provided on the attached table.

Improve Communications and Enhance Coordination

- The additional funding will enhance communication capabilities for field employees and expand encryption to deter criminal eavesdropping.
  - The 2008 funding will increase radio coverage and dispatch capability at BLM's Phoenix Interagency Dispatch Center.
  - The 2008 increase will also fund radio coverage at the BLM Amistad National Recreation Area.

- Interior will enhance coordination with DOJ on drug smuggling and cross-border interdiction efforts.

Mitigate Environmental Damage

- Interior will identify, evaluate, and mitigate damage to high priority sites (natural, cultural) at parks and refuges, and recreation areas.

- Improve signage for visitors and others at parks, refuges, and recreation areas.

U.S. DEPARTMENT OF THE INTERIOR
WATER FOR AMERICA
(DOLLARS IN MILLIONS)

	2008 Enacted *	2009 Request	Change from 2008
Water for America			
BOR	**20.0**	**31.8**	**11.8**
USGS	**21.7**	**29.9**	**8.2**
Total	**41.7**	**61.7**	**20.0**

* Funding shown for 2008 is for comparability -- Water for America begins as a 2009 initiative.

Key Points:

- **In FY 2009, Interior is proposing a $20.1 million Water for America initiative that will help communities to secure reliable water supplies through programs to develop and make available new and expanded information, technologies, and partnerships.**

- **The initiative has three components: enhancing our nation's water knowledge, planning for our nation's water future, and expanding, protecting and conserving our nation's water supplies.**

Background:

- Competition for water is increasing because of rapid population growth and increased environmental and energy needs. Chronic drought and the affects of a changing climate complicate the challenges of meeting the Nation's water needs. These pressures are growing. For example, meeting the Nation's ethanol production target of 7.5 billion gallons per year by 2012 will require 30 billion gallons of water a year to process. If just 25 percent of an expanded corn crop requires irrigation, ethanol production would demand one trillion gallons of water per year—nearly the combined annual usage of the cities in Arizona, Colorado, Idaho, and Nevada.

- Emerging water conflicts between human settlements and wildlife have already surfaced in the Klamath River basin and, more recently, in the California Bay Delta, jeopardizing water deliveries to 25 million Californians. In the Southeast, drought is impacting water supplies for Alabama, Georgia and Florida. With the extensive involvement of partners and a concerted multi-bureau effort, however, some recent successes in the Klamath Basin also demonstrate the results that can be achieved with strategic investments in water management.

Current Status:

Enhance our nation's water knowledge.

- The 2009 proposal includes $8.2 million for USGS investments in science programs to:

    - Modernize the Nation's 7,000 streamgages, upgrading over 350 in phase one to hourly real-time reporting, permitting better management during floods and droughts.

    - Initiate the first US water census in 30 years. USGS will begin a nationwide assessment of water availability, water quality, and human and environmental water use to be completed by 2019. The census will provide information on the history and current status of water storage in aquifers and reservoirs, flows in aquifers and rivers, water quality; and water use; analyses of the limits of sustainable water development on a regional scale; and analytical tools, such as modeling to improve understanding of complex water issues.

Plan for our nation's water future.

- The request includes $1.6 million for Reclamation to conduct basin watershed planning and smaller-scale geographical studies. The geographical studies will be informed by and complementary to the watershed basin studies. Building on existing partnerships, Reclamation will provide the technical expertise and seed money to update watershed plans. The planning process will incorporate the results of USGS analysis of census results, including integrated surface and groundwater studies and will utilize Reclamation's improved water management models. This request moves Reclamation's investigative (geographical) studies under the water initiative's planning umbrella.

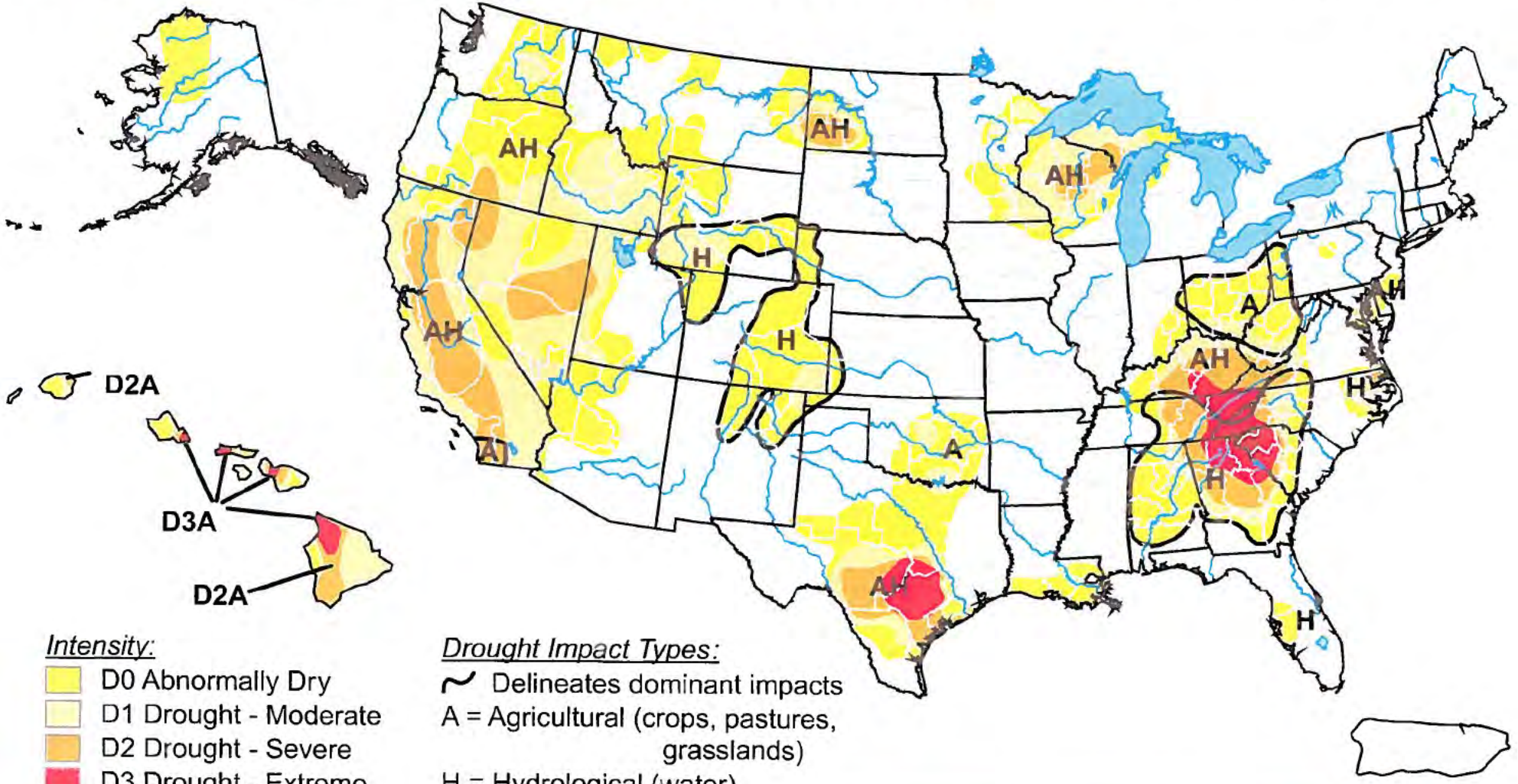
Expand, protect and conserve our nation's water supplies.

- The budget for Reclamation also includes $2.6 million, for challenge grants, to support partnering with urban, rural, and agricultural water users to stretch existing water supplies through such things as real time monitoring, measurement, and control; new technologies to reduce the cost of desalination of sea and brackish water; and canal lining or piping to reduce water seepage.

- An additional $8.9 million will be used to enhance Reclamation Endangered Species Conservation efforts. Through this initiative, Reclamation will acquire water to increase flows on the Platte River; improve tributary habitats for spawning on the Columbia and Snake Rivers; restore a number of habitats, including flood plain habitats on the Yakima River Basin; silvery minnow habitat on the Middle Rio Grande River; and habitats for Coho salmon and listed suckers in the Klamath basin; and improve condition for endangered species in the California Bay-Delta.

U.S. Drought Monitor

November 4, 2008
Valid 8 a.m. EST



Intensity:
- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

Drought Impact Types:
- ~ Delineates dominant impacts
- A = Agricultural (crops, pastures, grasslands)
- H = Hydrological (water)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

http://drought.unl.edu/dm

Released Thursday, November 6, 2008

Author: Mark Svoboda, National Drought Mitigation Center

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NOVEMBER 2008

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MANAGEMENT SCORECARDS
SUMMARY

Key Points:

- **By the end of FY 2008, Interior achieved green progress in all management areas.**
- **The Department has made significant progress in gaining broad support for management improvements and will continue efforts to make management excellence part of the institutional culture at Interior.**

	September 2001		December 2003		December 2005		December 2007		November 2008	
	Status	Progress	Status	Progress	Status	Progress	Status	Progress	Status	Progress
Human Capital		Yellow		Yellow	Green	Green	Green	Green	Yellow	Green
Competitive Sourcing		Green	Yellow	Green	Green	Green	Green	Yellow	Green	Green
Financial Performance		Yellow		Yellow		Green	Yellow	Green	Yellow	Green
Expanding Electronic Government		Yellow		Yellow			Yellow	Green	Yellow	Green
Performance Improvement Initiative		Green		Yellow	Yellow	Green	Yellow	Green	Yellow	Green
Real Property	N/A	N/A	N/A	N/A	Yellow	Green		Yellow	Yellow	Green

Background:

The six key management areas are:

- ***Strategic Management of Human Capital*** – having processes in place to ensure the right person is in the right job, at the right time, and is not only performing, but performing well;
- ***Competitive Sourcing*** – regularly examining commercial activities performed by the government to determine whether it is more efficient to obtain such services from Federal employees or from the private sector;
- ***Improved Financial Performance*** – accurately accounting for the taxpayers' money and giving managers timely and accurate program cost information to inform management decisions and control costs;
- ***Expanded Electronic Government*** – ensuring that the Federal Government's $60 billion annual investment in information technology significantly improves the ability to serve citizens, and that IT systems are secure and delivered on time and on budget;
- ***Performance Improvement Initiative*** – ensuring that performance is routinely considered in funding and management decisions, and that programs achieve expected results and work toward continual improvement; and
- ***Real Property Asset Management Initiative*** – Launched in 2004, the real property asset management initiative establishes a Senior Real Property Officer at Federal agencies and a Federal Real Property Council to facilitate the success of agency asset management plans, and reforms the asset management and property disposal process.

For each initiative, the PMA establishes Government-wide goals or Standards for Success. Agencies then develop and implement detailed action plans to achieve those goals. Agencies are held publicly accountable for adopting these disciplines. Each quarter, agencies are rated on their status in achieving the overall goals for each initiative and on their progress in implementing their action plans.

The Department has developed scorecards for each bureau on the six key management areas. Bureau scores are summarized for the Departmental score.

There are now additional scorecards for environmental management, energy management, and transportation management. These management areas monitor the Department's accountability for the responsibilities defined in Executive Order 13423: Strengthening Federal Environmental, Energy, and Transportation Management.

President's Management Agenda
DEPARTMENT OF THE INTERIOR

Initiative	CURRENT STATUS (As of September 30, 2008)		PROGRESS Fourth Quarter FY 2008		COMMENTS
HUMAN CAPITAL **Agency Lead:** Kathleen Wheeler **Lead RMO Examiner:** Mike Hickey x5-3040 **OPM HC Officer:** Judith Rutkin	Yellow Next ↑ est. by (FY09 Q3)	**Overarching** __ Implements agency-specific and Governmentwide measures (Y) ___ SHCM contributes to mission accomplishment (G) **Governmentwide** __ Implements strategies to achieve results in Governmentwide SHCM focus areas (Y) __ Achieves results in Governmentwide SHCM focus areas (G) **Agency-Specific** __ Implements strategies to meet agency-specific goals (Y) _ DCHCO engages all departments to implement leadership development and succession planning A Department-wide implementation plan establishes milestones. _ Bureaus apply consistent criteria for leadership competency management _ Department Human Capital Workforce planning data needs/gaps are identified __ Achieves agency-specific goals (G) _ Leadership development in place for those in pipeline to ensure ongoing growth and learning _ Leadership performance results in improved performance evidenced in leader-focused responses in AES in 2009. _ Cross-department mechanisms, data and technology are operational and used in workforce planning.	Green	**Actions taken this quarter:** **Governmentwide:** • Provided Acquisition Status Report for closing competency gaps including an assessment of strategies, milestones and updated SSM Acquisition Resource Chart • Submitted FY08Q4 Hiring Timeline Table on Q3 data (9/15/08) • Quarterly reports provided to OPM showing vacancy announcements with Career Patterns language and use of Career Patterns template. (9/15/08) **Agency-Specific:** • Established a Department-side human capital data integrity work group • IT workforce plan addressed basic, advanced, and expert competency levels • Submitted a final Human Capital Strategic Implementation Plan. **Planned actions for next quarter:** **Governmentwide:** • Submit HCMR with all SSMs including the Leadership Competency Profile Chart. • Complete FHCS **Agency-Specific:** • Identify and establish criteria, procedures and operations for DOI data integrity and reporting of workforce planning data. • Department reviews strategic alignment/direction/need for Succession Plans with Bureaus. Goals for internal placement identified. • Establish, communicate and rollout Collaboration competency as a core competency for all employees. • Department-wide HR competencies uniformly established.	**DOI remains unchanged for status and progress.** Some key accomplishments include: • Average time to hire for non-SES was 24 days and 83 days for SES (met goal of 85 days). • DOI has new strategic focus on competency development for leaders and staff and has filled an SES position to drive initiatives Department-wide. • New emphasis on gathering consistent workforce data across all bureaus to inform decision-making. • DOI has a new Strategic HC Plan supported by the first Implementation Plan for the agency. **Key Data** 16.15% of employees covered by effective performance management systems Competency gaps closed (Y/N) for: __* HRM (__ % closed) __* Leadership (__ % closed) __* IT (% pending survey) __* Acquisition (% pending survey) * to be submitted Q1 FY09 85/82 % of new hires (GS/SES) meeting the 45-day hiring/notification level

President's Management Agenda
DEPARTMENT OF THE INTERIOR

Initiative	CURRENT STATUS (As of September 30, 2008)		PROGRESS Fourth Quarter FY 2008		COMMENTS
COMMERCIAL SERVICES MANAGEMENT **Agency Lead:** Monica Noe (Rob Gordon) **Lead RMO Examiner:** Ann Kendrall x5-7833 **Lead OFPP Analyst:** Matt Blum x5-4953	Green	Approved competition plan X "yellow" plan 3/02 & 6/03 X "green" plan on 3/31/05 X "green" plan coordinated with CHCO (10/05) Standard competitions X one completed OR announced "yellow" plan 1/04 __ announced in accordance with updated "green" plan schedule on 9/30/07 X completed ≥ 90% in A-76 timeframe past 4 Qs 1/07 – 12/07 Standard and streamlined competitions X at least 10 or sufficiently large completed since Jan 2001 X encourage participation by private and public sectors X reviewed once implemented Streamlined competitions completed in Circular timeframe X ≥ 95% during the past 4 Qs Announced competitions cancelled X ≤10% in past year X Justifications for all commercial activities exempt from competition (G) 6/30/08 **Savings - $7.735M** X Anticipated for past 3 Qs (G) X Reports quarterly to OMB (G) X Tracks/reviews costs, savings & performance; takes corrective action (G) FY08Q4. X Has approved plan for independent validation and completes	Green ↑	**Actions taken this quarter:** • **Competitions announced: None** • **Competitions completed: NPS** - streamlined competition of publications functions at Harpers Ferry Center and standard competition of human resources functions NPS-wide. • **Completed 1 Department-level independent validation.** Other bureau and department level validations are underway as part of continuing post-competition accountability efforts. • **NPS HPO study of Washington Support Office (WASO) OCIO functions** – performance requirements documents nearing completion; next phase will be to develop most efficient organization. • **BLM HPO study of Bureau-wide inventory and monitoring activities** continued, including over 60 individual employee interviews and 17 site visits with groups primarily comprised of managers and senior staff **Planned actions for next quarter:** • **Complete NPS OCIO HPO study.** • Submit recommendations on inventory and monitoring BPR study. • **Begin either streamlined competition or HPO study** of BOR printing and duplicating	**The Department was elevated to green in progress** because it substantially met all of its milestones and completed a standard competition. • **The Department completed all independent validations as committed to OMB.** DOI Bureaus now regularly performing reviews prior to Department validation. – In FY08 FWS completed post-competition reviews of all past competitions. – BLM preparing for post-competition review of RAWS activity at National Interagency Fire Center (NIFC). • **NPS began actions to conduct HPO study of Media Assets functions** at Harpers Ferry Center and to re-study SEAC under HPO alternative (SEAC was competed 5 years ago). • **Met with OMB on BIA Navajo road maintenance study** and decided to re-start study rather than cancel. **FTE Competed To Date** Standard: 752 Streamlined: 2,255 Direct conversions: 1,773 **Total**: 4,780 **Competitions in Progress (FTE)** Standard: 200 * Streamlined: 0 **Total**: 200 * FTEs pertain to BIA NRO study which we will begin again tracking as in-progress

President's Management Agenda
DEPARTMENT OF THE INTERIOR

Initiative	CURRENT STATUS (As of September 30, 2008)		PROGRESS Fourth Quarter FY 2008		COMMENTS
FINANCIAL PERFORMANCE **Agency Lead:** Pam Haze **Lead RMO Examiner:** Ann Kendrall x5-7833 **Lead OFFM Analyst:** Kim Farington x5-3053	 Yellow Next ↑ est. by (FY09 Q1)	**GREEN STANDARDS** _X_ Meets all yellow standards (FY07 Q3) ___ Uses financial info to drive results in key areas (FY 08 Q4) ___ Expands routine data use (FY08 Q4) _X_ FFMIA compliance reported (FY07 Q1) _X_ No repeat material auditor-reported internal control weaknesses (FY08 Q1) _X_ No repeat material weaknesses in FMFIA Sec. 2 OFR and Sec. 4 (FY07 Q1) **YELLOW STANDARDS** _X_ Clean annual audit (< 2001) _X_ Meets reporting deadlines (<2001) _X_ No chronic or significant Anti-Deficiency Act Violations (<2001) _X_ No more than one repeat material auditor-reported internal control weakness (FY07 Q1) _X_ No material non-compliance with laws or regulations (FY07 Q1) _X_ No more than one repeat material weakness in either FMFIA Sec. 2 OFR or Sec. 4 (FY07 Q1)	 Green	**Actions taken this quarter (Q4):** • **All Bureau Assurance Statements received by end of August.** • FBMS D4 Integration testing began June 9th. User acceptance testing completed September 12th. • **Submitted 3rd qtr Consolidated Financial Statements** on July 21st. • Delivered Draft PAR to auditors July 30th. • **Requirements for ABC/M FBMS have been identified.** • Parent/Child accounting policy addendum issued on September 25th. • **Site visits confirming that internal control testing was performed** and completed were concluded Sep 17th. • OMB was briefed regarding FBMS status on July 25th. • **Revised Green Plan submitted September 26th.** **Planned actions for next quarter:** • Complete all Q1 PTB VI activities. • **Obtain an unqualified audit opinion** and no new material weaknesses and submit PAR by November 17, 2008. • **Update Departmental Green Plan**; provide OMB enhanced/revised green plan examples based on OMB comments. • Implement FBMS Deployment 4 into production. • **Meet with OMB to provide update on FBMS.** • Establish/Update Fiscal Year 2009 financial reporting timeline. • Issue FY09 Internal Control and Audit Follow-up (ICAF) program guidance.	**DOI remains unchanged for status and progress.** • DOI met all of its milestones for the quarter. • **DOI provided several examples of how it is using financial information** to drive decisions and is expanding those efforts. • DOI's examples provided a strong foundation for meeting these requirements, however, **some additional discussions will be necessary** to better articulate the results that were achieved (i.e., evidence) before DOI can be elevated to green in status. • **OMB and DOI will need to come to agreement** on elements of how DOI is expanding the use of financial information. **Key Data** **Auditor Material Weaknesses** **FY07 Reported # _0_** **FY08 Reported # _TBD_** **FMFIA Material Weaknesses (Section 2 OFR and Section 4)** **FY07 Reported # _0_** **FY08 Reported # _TBD__**

President's Management Agenda
DEPARTMENT OF THE INTERIOR

Initiative	CURRENT STATUS (As of September 30, 2008)		PROGRESS Fourth Quarter FY 2008		COMMENTS
E-GOVERNMENT **Agency Lead:** Jerry Williams, Acting CIO **Lead RMO Examiner:** Charles Stern X5-3752 **Lead IT/E-Gov Analyst:** Sarah Siddiqui X5-4706	 Yellow ↑ Next ↑ est. by (FY09 Q1)	**Enterprise Architecture** __X__ Has an Enterprise Architecture with a score of 4 in the "Completion" section and 4 in both the "Use" and "Results" sections (Q2 FY 08) (G) __X__ Has an Enterprise Architecture with a score of 4 in the "Completion" section and 4 in either the "Use" or "Results" sections (Y) **Acceptable business cases for major investments** __X__ for all on **(Q4 08)(G)** __X__ for more than 50% on (Y) **Cost/schedule/performance adherence for major IT** __X__ overruns/shortfalls< 30% (Q1 05) __X__ EVMS shows overruns/ shortfalls <10% (Q1 07) (G) **Security of all IT systems** __X__ 80% secured or IG verifies effectiveness (Y) (Q2 05) __X__ 90% secured (G) (Q4 05) ___ IG or Agency Head verifies effective & rates certification as Satisfactory (G) (Q4 08) **E-Gov implementation** __X__ has process and plan (Q4 08) (Y) __X__ adheres to agency-accepted and OMB approved implementation plan (Q4 08) (G) MAINTAINING GREEN ___ all IT systems secure (Q1 09) ___ IT systems installed in accordance with security configurations (Q1 09) __X__ Privacy Impact Statements for 90% of applicable systems (Q1 06) __X__ 90% of systems w/personally ID info have system of records (Q1 06) __X__ Has an agreed-upon plan to meet necessary communication requirements for COOP and COG (Q4 09)	 Green	**Actions taken this quarter:** • Submitted FY 2010 exhibit 300s; met the CPIC criteria for acceptable business cases; and submitted Exhibit 53. • Submitted new quarterly EA milestones, High Risk Report, EVM metrics, FISMA and Privacy status report, including POA&Ms, as well as CIO and SPE status for Avoiding Duplication of Agency Activities with E-Gov and LoBs • Accepted E-Gov Implementation Plan and completed milestones. • Completed MOU for FEMA's Disaster Assistance Improvement Program along with the interagency agreement. • Completed minimum requirements for NCS 3-10 implementation plan in support of overall Q4 FY 09 Implementation Plan • Provided response to OMB M-08-23, which requires implementation of Domain Name System Security (DNSSEC). • Briefed OMB on HSPD-12 Implementation Plan on 8/1/08. **Planned actions for next quarter:** • Submit updated NCS 3-10 Plan to NCS3-10@omb.eop.gov by 12/1/08. • Submit new quarterly EA milestones, High Risk Report, EVM metrics, FISMA and Privacy status report, including POA&Ms, and CIO and SPE status for Avoiding Duplication of Agency Activities with E-Gov. • Submit E-Gov Implementation Act Report by December 31, 2008. • DOI will continue work on HSPD 12 through participation in and contribution towards funding to the Nationwide Cooperative Enrollment (NCE) program, to complete DOI enrollments in partnership with USDA and the GSA USAccess Program.	**DOI moves from red to yellow in status and remains green in progress. Change is result of:** • DOI consistently meet its E-Travel milestones resulting it its deployment this quarter as planned. • implementing eOPF, including obligating funds for required FY08 activities, and • all of DOI IT systems being certified by DOI's IG as "satisfactory" in the FISMA report dated October 1, 2008. **Additional Planned Actions:** • Submit E-Gov Report draft by October 14, 2008. • Complete all requirements at all sites as agreed to in NCS 3-10 implementation plan dated 6/24/08 and submit status updates to OMB by Sept 1, Dec 1, March 1, and June 1. The status updates must indicate progress toward each milestone due in the plan. • CIO to confirm by Dec 17 that the agency has a documented plan for phasing in use of HSPD-12 credentials with physical and logical access control systems. Key Data: • DOI has 11 high risk projects • DOI does not have any items on the MWL • Number of Gov't systems: 157 • Number of contractor systems: 19 DOI has 305/306 of its milestones for E-Gov implementation accounted for in Q4 FY08, with 1 milestone not applicable for this quarter.

President's Management Agenda
DEPARTMENT OF THE INTERIOR

Initiative	CURRENT STATUS (As of September 30, 2008)		PROGRESS Fourth Quarter FY 2008		COMMENTS
PERFORMANCE IMPROVEMENT **Agency Lead**: Monica Noe / Pam Haze **Lead RMO Examiner:** Mike Hickey x5-3040 **Lead BPI Analyst:** Abby Norris X5-4732	Yellow Next ↑ est. by FY09 Q3	**Executive Order Implementation Plan** — GREEN – Demonstrates effectiveness/efficiency and utilizes PIC best practices (date) X YELLOW -- On track to implement EO plan **(Q4 FY08)** **Agency Planning** — GREEN -- **At least one** outcome measure for each strategic goal **and program**. (date) X YELLOW -- Plans contain outcome measures for each strategic goal (Q4FY04) **Reporting and Transparency** — GREEN -- Annual budget and performance documents include: X at least one outcome-measure covering each major area (Q4 FY04); __ at least one efficiency measure for each program X a discussion of performance gains /shortfalls (Q4 FY05); __ the full cost of achieving performance goals including marginal cost analyses; X evaluation study results (Q4FY05) X YELLOW-- Annual budget and performance documents do not meet all green criteria include: **Regular Assessment** X GREEN -- Quarterly meetings examine **each strategic goal** area (Q3 FY04) X YELLOW -- Quarterly meetings examine **most** strategic goal areas. (Q3 FY04) **Improvement Actions.** — GREEN -- Completes program improvement actions and ensures managers are held accountable X YELLOW -- Regular program assessments direct program improvement actions and managers are held accountable. (Q2 FY07).	Green	**Actions taken this quarter** • Submitted 2010 current service budget estimates to OMB that included related performance level information. • Held quarterly meetings to review financial and performance progress across strategic goal areas. • Provided draft working definitions of full and marginal "cost" to OMB to help better relate ABC work activities to performance. • DOI did not meet their target to complete 95% of all PART improvement actions scheduled for FY 2008. **Planned Actions for next quarter:** • Publish Performance and Accountability Report (PAR) on-time, with particular emphasis on reporting potential for performance improvement in RPM's, including display of performance and costs over multiple years for RPM's • Provide Interior's two-page summary for government-wide performance summary being assembled by OMB • Conduct discussions between OMB Interior Branch and DOI policy offices to develop a marginal cost definition that can satisfy performance, finance, and budget requirements. • Analyze outstanding FY 2008 PART improvement actions that were not completed and set realistic revised target dates for completion.	**DOI maintains Yellow for status and green for progress.** Specific examples of progress include: • **Improved integration of budget and performance information** in Budget process and materials and performance reports. • **Facilitated senior management's focus on performance improvements** by identifying select measures and areas for attention. • **Provided more specific information on performance measures** to help identify incremental program changes with changes in funding **DOI has** the following **challenges**: • Completing PART improvement actions. • Achieving the <10% RND milestone. Will not likely to occur earlier than Q3 FY 2009 • Demonstrating use of performance measures in program execution. **Key Data:** Agency Planning: 88% programs with at least one outcome-oriented, 99% with efficiency measure. FY09 Improvement Plan Completion: cumulative # of improvement actions completed: 235; # planned: 126. Program Results: 53% performance measures improved over prior year; 72% measures that met or exceeded their targets; 51% programs with evaluations fully showing results (based on funding).

President's Management Agenda
DEPARTMENT OF THE INTERIOR

Initiative	CURRENT STATUS (As of September 30, 2008)		PROGRESS Fourth Quarter FY 2008		COMMENTS
REAL PROPERTY **Agency Lead:** Pam Haze, Acting Senior Real Property Officer **Lead RMO Examiner:** Jennifer Hoef x5-3806 **Lead OFFM Analyst:** Nikki Zook x5-3995	Yellow Next ↑ est. by FY09 Q2	Asset management plan (AMP): _X_ in place by Q3 '05 (Y) _X_ consistent with Federal Real Property Council (FRPC) standards by Q3 '05 (Y) _X_ OMB-approved by Q3 '05. (Y) _X_ 3 year timeline for meeting plan goals/objectives by Q4 '06 (G) ___ evidence that plan is being implemented to achieve improved real property mgmt by Q2 '09 (G) Accurate and current inventory: _X_ in place by Q3 '04 (Y) _X_ consistent with FRPC standards by Q2 '08 (Y) _X_ provided to govt.-wide real property database by Q1 '06 (Y) ___ used in daily management decision-making by Q2 '09 (G) Real property performance measures: _X_ in place by Q1 '06 (Y) _X_ consistent with FRPC standards by Q1 '06 (Y) ___ used in daily management decision-making by Q2 '09 (G) ___ Evidence that real property management is consistent with agency strategic plan, AMP, and performance measures by Q2 '09. (G)	Green	**Actions taken this quarter:** • Met all milestones identified in Three-Year timeline and Proud to Be. • Reported quarterly progress toward meeting DOI FY 08 disposal target. • Reported on a subset of NPS FCI performance data updating 2006 and 2007 data under the new DOI policy. • Updated DOI's value engineering (VE) policy. • Identified bureau FY 09 disposal target. • Implemented construction-specific Exhibit 300 business case in eCPIC. • Updated Exhibit 300's for major projects. • Reviewed and updated the DOI strategy to ensure accurate and complete reporting into the FRPP, including implementation of updated bureau FRPP Verification and Validation plan. • Reported on new procedures to OMB on using SF13327, Report of Real Property Available for Transfer to Federal Agencies. **Planned Actions for Q1:** • Begin **revising Green Plan** incorporating OMB comments. • Meet **all milestones** in the 3 year timeline & Proud to Be document • Report on Department-wide efforts to meet DOI specific annual performance measure targets. • Report quarterly progress toward meeting DOI's FY 09 disposal target. • Ensure successful annual reporting of inventory and performance data on all assets to FRPP database.	**DOI remains yellow in status and green in progress.** OMB has continued concerns over the quality of performance data and need for evidence that data is being used in daily decision-making by DOI management. **DOI has submitted a draft Green Presentation**, which OMB is reviewing to see if it conveys evidence of using data in daily decision-making at the Department and bureau levels. **Key Data** FY 08 Target Disposals $91,494,257 FY 08 Actual Disposals $163,386,704 FY 09 Target Disposals $194,995,911 FY 09 Actual Disposals TBD **Planned Actions for Q1 (con't):** • Identify gaps and anomalies in annual inventory reporting and implement necessary action to close gaps. • Report on all NPS FCI performance data, displaying 2006-2008 according to current Departmental policy. • Implement the common Federal screening format. • Update Site Specific Asset Business Plans compliant with DOI standards. • Implement annual standard bureau VE report. • Use the DOI annual completion report submitted by the bureaus to analyze projects' cost and schedule performance for all major projects over the last seven fiscal years.

E-GOVERNMENT
SUMMARY
(dollars in millions)

	2002	2003	2004	2005	2006	2007	2008	2009 Request	Change from 2008
$	-	0.4	1.1	4.7	3.6	5.0	6.0	5.7	-0.3

Key Points:

- **The 2009 budget includes $5.7 million for e-Gov payments to managing partners and Interior's costs for the projects that it manages, approximately $.3 million less than 2008.**

- **The Department is the managing partner for Geospatial One-Stop, the Geospatial Line of Business, and Recreation One-Stop.**

- **The Department is a shared service provider for the Human Resources and Financial Management Lines of Business.**

Background:

(DOI) serves as the Managing Partner for Recreation One Stop, Geospatial One Stop, Geospatial Line of Business (LOBs); as well as a Shared Service Provider for both Human Resource and Financial Management Lines of Business. DOI also performs as a supporting partner for twenty E-Government (E-Gov) initiatives and six additional LOB to further integrate Government-wide operations and IT investments that improve E-Gov services to citizens and businesses. In addition, the Department is in the process of completing migration to the e-Travel solution and implementation of the electronic Official Personnel File (eOPF).

Trends:

- Funding for e-Gov payments is expected to remain constant or decline slightly.

- During 2007 and 2008, OMB and the eGov initiatives' managing partners moved from a partner payment model to a fee for service model. The Department has been in an ongoing dialogue with OMB and partner agencies about ensuring that the Department is receiving sufficient value for the fees paid.

Department of the Interior Participation in E-Government Initiatives (funding in thousands of dollars)					
Initiative	2008 Agency Contributions (Includes In-Kind)	2009 Agency Contributions (Includes In-Kind)	Change from 2008 to 2009	Lead Agency	Comments
Business Gateway	$88	$119	$31	SBA	Provides a more business friendly method for finding, understanding, and complying (including submittal of forms) with relevant laws.
E-Authentication	$65	$65	$0	GSA	Provides a secure standards-based authentication capability for the e-Gov initiatives. Will also allow credentialed citizens and businesses access to conduct transactions.
EHRI	$30	$0	($30)		Develops policies and tools to streamline and automate the electronic exchange of standardized HR data needed for creation of an official employee record across the Executive Branch.
E-Rulemaking	$535	$0	($535)	EPA	Provides the public with on-line access to a central rulemaking site to make and review comments on a government-wide basis.
E-Training		$0	$0	OPM	Provides one-stop access by Federal employees for a variety of e-training courses and services.
E-Travel	$393	$2,327	$1,934	GSA	Provides a government-wide web-based service for consolidation of Federal travel, reduced costs, and improved customer satisfaction. Migration costs not included.
Geospatial One-Stop	$1,935	$1,685	($250)	DOI	Provides Federal and State agencies with a single point of access to map-related data for sharing of information and costs.
GovBenefits.gov	$379	$379	$0	DOL	Provides a single point of access to over 400 government benefit programs representing more than $2 trillion in annual benefits.
Grants.gov	$536	$518	($18)	HHS	Allows for organizations to search, find, and apply for competitive grant opportunities from all Federal grant-making agencies.
Integrated Acquisition Environment	$480	$0	($480)	GSA	Provides for a single point of access for registration / validation of supplier data, collection of statistical and management acquisition information, simplified selection and leverage of government buying, and improved ordering, billing, payment, collection, and consolidation of financial statements for Federal agencies.
IAE-Loans and Grants	$190	$190	$0		
LOB: Budget Formulation and Execution	$85	$95	$10	ED	Provides for the need to standardize, enhance, and institutionalize government-wide budget fomulation and execution processes through electronic capabilities.

LOB: Financial Management	$75	$75	$0	DOE/DOL	A government-wide financial management effort to improve efficiency and business performance while ensuring accountability, financial controls, and mission effectiveness.
LOB: Geospatial	$383	$383	$0	DOI	Recommends common government-wide solutions and supports the core missions of Federal agencies and their partners, through more effective and efficient development, provisioning, and interoperability of geospatial data.
LOB. Grants Management	$59	$59	$0	NSF	Government-wide process to support end-to-end grants management that will promote citizen access and customer service and will improve agency financial and technical accountability.
LOB: Human Resources Management	$130	$130	$0	OMB	Government-wide solution for providing common functional capabilities for the strategic management of human capital through operational efficiencies, cost savings, and improved customer service.
LOB: IT Infrastructure Optimization	$80	$80	$0	GSA	Government-wide, optimized, and cost-effective IT infrastructure enabling core agency mission and government-wide customer-centric services. Achieved through performance measurement of IT infrastructure cost efficiency and service levels.
Recreation One-Stop	$200	$200	$0	DOI	Provides citizens with one-stop access to information related to travel and recreation on Federal, Tribal, State, and local public lands.
DoI Total	**$5,643**	**$6,305**	$662		

MANAGEMENT CHALLENGES
AS IDENTIFIED BY THE OIG

Key Points:

- **Each year as a part of the performance and accountability review, the OIG provides a summary of the management challenges facing the Department.**

- **The OIG has identified the following as the Department's top management challenges: financial management; information technology; health, safety, and emergency management; maintenance of facilities; responsibility to Indians and Insular areas; resource protection and restoration; revenue collections; and procurement, contracts, and grants.**

- **These issues are important to the Department's mission, involve large expenditures, require significant management improvements, or involve significant fiduciary relationships.**

Management Challenges noted in the 2008 Performance and Accountability Report (PAR):

Financial Management

- In 2007, KPMG, an independent public accounting firm, rendered an unqualified opinion on the consolidated financial statements of the Department of the Interior. However, KPMG identified seven significant deficiencies in internal controls over financial reporting. In addition, KPMG identified one instance where the Department did not comply with laws and regulations, specifically the Single Audit Act Amendments of 1996.
- The implementation of the Financial and Business Management System (FBMS) continues to be a top priority for the Department. The 2009 budget request includes $83.4 million for FBMS deployment, an increase of $33.3 million over the 2008 enacted level. Delays in funding due to the likely continuing resolution in 2009 will delay the next deployment to USGS, and it may extend the FBMS full deployment date beyond fiscal year 2013. The uncertainty of the 2009 budget is a government-wide challenge.
- Better budget and performance integration is essential to results-oriented management and efficient allocation of scarce resources, but the variety and number of programs within the Department makes budget and performance integration particularly difficult. Of the 70 programs reviewed as a part of OMB's Program Assessment Rating Tool (PART), 8 programs were rated effective, 24 programs were rated moderately effective, 25 programs were rated adequate, and 13 programs were rated results not demonstrated. The development of useful performance measures continues to be a challenge to the Department's programs.

Information Technology Security

- The Department continues to strive toward a comprehensive Information Technology (IT) Security program which complies with the Federal Information Security Management Act (FISMA).
- Management of the Department's IT program, in particular its Information Security Program, is fragmented and highly decentralized.
- The Department's decentralized and fragmented organizational structure of the IT program has left the Department struggling to meet information security and privacy mandates and with limited ability to assure the protection of its sensitive data.

Health, Safety, and Emergency Management

- Annually with over 500 million visits, the Department must protect hundreds of millions of visitors, employees, and volunteers, thousands of facilities, and million of acres of property from both internal and external threats.
- The Department's Office of Law Enforcement, Security, and Emergency Management continues to struggle with its implementation of centralized policy and effective oversight of bureau law enforcement, security, and emergency management programs.
- The U.S. Park Police (USPP) continues to struggle with the competing missions of protecting national icons and monuments and functioning as an urban police department at the same time and with the same resources.
- While the Department has made progress, work still remains to be done. The Department does not know if all health and safety issues have been identified because condition assessments and safety inspections of facilities have not been completed. The OIG found numerous weaknesses in the health and safety program managed at the Department headquarters and the individual field office level.
- The Department also faces health and safety hazards by not addressing hazards posed by abandoned mines on NPS and BLM lands.

Maintenance of Facilities

- The Department owns, builds, purchases, and contracts services for assets such as roads, bridges, schools, office buildings, dams, irrigation systems, and reservoirs. The unfunded repair and maintenance of these assets are referred to as deferred maintenance.
- The exact estimates of deferred maintenance costs are difficult to determine due to scope, nature, and variety of assets entrusted to the Department, as well as the nature of deferred maintenance itself.
- The Department currently estimates that the total amount needed to correct deferred maintenance for Property, Plant, and Equipment ranges from approximately $12.6 billion to 17.8 billion.

esponsibility to Indians and Insular Areas

- The Department manages relations with 562 Indian tribes, has trust responsibilities for 52.7 million acres of land belonging to Indian tribes and individuals, and provides education services to approximately 46,000 Indian children in 184 schools and dormitories.
- The Department also has various responsibilities to seven island communities – four territories and three sovereign island nations.
- Tribal entities failed to financially comply with funding agreements through the single audit process. However, 36 of the 77 single audit reports the OIG reviewed for tribal entities submitted delinquent single audit reports during fiscal year 2008.
- Crime on Indian lands continues to be a major issue. The Bureau of Indian Education is dangerously unprepared to prevent violence and ensure the safety of students and staff. OIG investigations in Indian country have resulted in numerous convictions, mostly for

Resource Protection and Restoration

- The Department's resource managers face the challenging task of balancing competing interests for the use of the nation's natural resources.
- Experts generally view collaborative resource management that involves public and private stakeholders in natural resource decisions as an effective approach for managing natural resources. Federal land and resource management agencies face key challenges to participating in collaborative resource management efforts.
- In recent years, GAO has recommended a number of actions Federal wildland fire agencies should take to better diagnose the extent of the nation's wildland fire problems and develop a strategic approach for addressing them. Federal agencies lack key long- and short-term management strategies for using program funds effectively.

Revenue Collection

- Mineral lease revenues collected by the Department on behalf of the U.S. Government were approximately $19.2 billion through June 30, 2008.
- GAO reported that the Department lacks adequate assurance that it is receiving full compensation for oil and gas produced from Federal lands and waters because BLM and MMS' Offshore Energy and Minerals Management (OEMM) are not fully conducting production inspections as required by law and agency policies – and because MMS' financial management systems are inadequate and lack key internal controls.
- The OIG provides that MMS' financial management system lacks an automated process for routinely and systematically reconciling production data with royalty payments.

Procurement, Contracts, and Grants

- The Department awards approximately $4.5 billion in contracts and awards over $2 billion each year in funding for grants, cooperative agreements, Indian self-determination contracts, and self-governance compacts to state, local, and insular areas governments; Indian tribes; colleges and universities; and other nonprofit organizations.
- Interagency contracting is a tool that, when effective, can help agencies to streamline the acquisition process and increase cost efficiency.