

DEPARTMENT OF THE INTERIOR



Restoration Program

Assessment & Restoration Program

Fiscal Year 2005 Budget Justifications

TABLE OF CONTENTS

Appropriation: Natural Resource Damage Assessment and Restoration

Summary of Request	Page
General Statement.....	1
Section 343 Compliance.....	3
President’s Management Agenda.....	5
Performance Summary.....	6
Organization Chart.....	8
Appropriations Language.....	9
Uncontrollable Costs.....	12
Program Activities	
Damage Assessments Activity.....	13
Assessments and Restorations Site Map.....	14
Restoration Support Activity.....	18
Program Management Activity.....	30
Exxon Valdez Oil Spill Restoration.....	33
Exhibits and Schedules.....	47

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

GENERAL STATEMENT

Overview of 2005 Budget Request:

The mission of the Natural Resource Damage Assessment and Restoration Program (Restoration Program) 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.

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. Recoveries, in cash or in-kind services, from the potentially responsible parties are then used to finance or implement the restoration of the injured resources, pursuant to a publicly reviewed restoration plan.

The Restoration Program Office manages the confluence of the technical, legal, and economic disciplines and coordinates the efforts of six bureaus and two offices to accomplish this mission. The Program has a nationwide presence encompassing nearly the full span of natural and cultural resources for which the Secretary has trust responsibility. Each bureau has its unique natural resource trusteeship and brings its expertise to bear on relevant sites. The Restoration Program is a truly integrated Departmental program, drawing upon the interdisciplinary strengths of its various bureaus and offices.



The **Bureau of Indian Affairs** administers and manages over 55 million acres of land held in trust by the United States for American Indians, Indian tribes, and Alaska Natives and provides assistance to 562 federally recognized tribal governments to help protect water, natural resources and land rights.



The **Bureau of Land Management** administers 262 million acres of land, located primarily in 12 western states, sustaining the health, diversity, and productivity of these public lands for the use and enjoyment of present and future generations.



Working primarily in the western states, the **Bureau of Reclamation** seeks to protect local economies and preserve natural resources and ecosystems through the management and effective use of water resources.



The **U.S. Fish & Wildlife Service** conserves, protects and enhances fish, wildlife, and plants and their habitats and manages the 95 million acre National Wildlife Refuge System for the continuing benefit of the American people, providing primary trusteeship for migratory birds and threatened and endangered species.



The **National Park Service** preserves unimpaired the natural and cultural resources and values of the 84 million acre national park system and conserves the scenery and the natural and historic objects and the wildlife of the park system for the enjoyment, education, and inspiration of current and future generations.

In addition to the five trustee bureaus, the U.S. Geological Survey, the Office of the Secretary, and the Office of the Solicitor play key roles in making the Restoration Program a fully integrated Departmental program. The Office of the Solicitor provides legal advice, USGS provides technical scientific support, and the Office of Policy Analysis provides economic expertise to the Program at both the national policy and the 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.

The Departmental trustee bureaus conduct every damage assessment and restoration case in partnership with co-trustees, and all restoration plans must undergo public review and be approved by affected State and Tribal governments. The Restoration Program serves as a model of implementation of the Secretary's 4C's (Conservation through Consultation, Cooperation, and Communication) in its day-to-day operations and partnerships that have been developed with Tribal, State, and other Federal co-trustees, as well as with non-governmental conservation organizations and industry.

All activities within the Restoration Program support the Department's Resource Protection Strategic End Outcome Goal No. 1.2, Sustain Desired Biological Communities on DOI - Managed and Influenced Lands and Waters. Specifically, Program activities support Strategy 1 – **Create Habitat Conditions for Desired Communities to Flourish** by restoring habitats that have been injured by releases of oil or hazardous substances.

The Restoration Program requests \$5,818,000 in current appropriations for Fiscal Year 2005. The FY 2005 budget request for direct appropriations represents an increase of \$254,000 over

the FY 2004 enacted appropriation of requested level of \$5,564,000. Within the requested level is \$124,000 for increased restoration capacity, \$53,000 for financial audit costs (formerly paid for out of the Departmental Working Capital Fund), and \$77,000 for uncontrollable cost increases. The request also includes an estimated \$32.1 million in permanent funds, which result from negotiated settlement agreements with responsible parties.

Overview of 2005 Budget Request
(Dollars in Thousands)

Budget Authority	2003 Actual	2004 Estimate	2005 Request	2005 Request Change from 2004	
				Amount	Percent
Current	5,502	5,564	5,818	+254	+4.6%
Permanent	27,618	38,400	35,700	-2,700	-8.5%
TOTAL	33,120	43,964	41,518	-2,446	-6.70%
<i>FTE</i>	4	4	6	+2	50%

Budget Request by DOI Mission Component
(Dollars in Thousands)

DOI Strategic Goal	2004 Enacted	2005 Request	Change From 2004
Resource Protection	5,564	5,818	+254
Resource Use	0	0	0
Recreation	0	0	0
Serving Communities	0	0	0
Management	0	0	0
TOTAL	5,564	5,818	+254

Section 343 Compliance:

Section 343 of the 2004 Interior and Related Agencies Appropriations Act includes a new requirement for disclosure of overhead, administrative, and other types of spending. The provision requires that budgets disclose current amounts and practices with regard to overhead charges, deductions, reserves, or holdbacks from program funding to support government-wide, Departmental, or bureau administrative functions or headquarters, regional, or central office operations. Changes to such estimates trigger reprogramming procedures, in which the Department must provide advance notice to and seek approval from the House and Senate Appropriations Committees.

For FY 2005, the Restoration Program's costs related to overhead, administration, and central/regional operations are addressed in two components of the budget, both under the heading of External Administrative Costs. These costs include amounts paid to the Department or other Executive Branch agencies to support Departmental or Government-wide administrative costs.

External Administrative Costs			
(Dollars in Thousands)			
	FY 2003 Actual	FY 2004 Estimate	FY 2005 Estimate
<u>DOI Working Capital Fund</u>			
Centralized Billings	73	74	147
Fee for Services	0	0	0
Direct Billings	0	0	0
Reimbursables	0	0	0
<u>Fish and Wildlife Service</u>			
Cost Allocation Methodology (CAM)	265	257	270

Charges related to the Departmental Working Capital Fund (WCF) identified in the above table include \$53,000 requested as a program increase in 2005 for audited financial statements, and other WCF charges are more fully described in the section on uncontrollable costs.

Beginning in fiscal year 2002, the Fish and Wildlife Service (FWS) began assessing its Cost Allocation Methodology (CAM) on damage assessment funds provided to the Service from the Restoration Program. \$326,000 was assessed for FY 2002 projects. For FY 2003 and thereafter, the Restoration Program reached an agreement with all the bureaus regarding administrative overhead charges such as the CAM. The agreement provides that the program would allow any bureau that requested administrative overhead an amount no greater than seven percent of the damage assessment funding allocated to that bureau. Regardless of the usual overhead rate charged or the bureau's internal holdback or reserve policies, the agreement caps administrative allocations from the Program to the bureaus at seven percent of the amount transferred. To date, only FWS has requested such funds from the Program to cover bureau indirect administrative charges. The actual amount given to FWS is calculated yearly after Program has made its funding decisions for ongoing and new damage assessment cases. For fiscal year 2003, the Program transferred \$280,000 under the CAM overhead agreement. Based upon 2004 damage assessment allocation decisions, the seven percent calculation yields \$257,000. For fiscal year 2005, damage assessment funding recommendations will be made in December 2004. It is anticipated that FWS will likely receive funding at a level comparable to the average of recent years, yielding an estimate of \$270,000 to be transferred for FY 2005 CAM charges.

In 2004, the Program will achieve a cost savings of \$55,000 by funding USGS support for damage assessment projects directly, rather than through the lead bureau as it had in the past. In recent years, the USGS funding had gone through the Fish and Wildlife Service, making it subject to the CAM administrative charge of seven percent.

The Program Management activity, which includes Restoration Program administrative functions and central and regional operations, does not assess or levy any internal program overhead charges, deductions, or holdbacks to support such operations. Such program operations are addressed in the Program Management activity narrative starting on page 30.

President's Management Agenda:

In keeping with the President's Management Agenda, performance information played a key role in the development of the 2005 budget request. The Program Office has also worked closely with the bureaus to develop common Activity-Based Cost (ABC) accounting measures across bureau lines. These cross-bureau ABC measures, which are being implemented in fiscal year 2004, coalesce into three major areas – assessment, restoration, and program management. Individual bureaus and case teams will also collect data at a finer level of detail to be used in documenting costs that may be recoverable in settlement agreements. The Restoration Program has not yet undertaken a formal PART review with the Office of Management and Budget.

The Restoration Program has worked to integrate its staff planning efforts with the Workforce Planning team for the Assistant Secretary – Policy, Management, and Budget. With only four FTE in the Restoration Program Management Office, the Program relies greatly on distributive management, in close coordination with a workgroup comprised of multiple bureaus and offices. The NRDAR workforce gap analysis that was conducted in response to the President's Management Agenda identified increased interagency restoration support as the greatest program need to accomplish its missions and goals over the next five years. The 2005 budget request includes two additional FTE for the Program, to be housed in the field, co-located with other related bureau offices. These FTE will support restoration activities within all the bureaus involved in the Program.

As part of a Departmental Competitive Sourcing exercise, all current positions within the Restoration Program Office (4 FTE) were identified as being inherently governmental in nature because they focus on policy, budget, and program guidance activities. However, competitive sourcing opportunities do exist in damage assessment and restoration activities conducted in the field by DOI bureaus. While many ongoing cases already make use of contractors and consultants, it will be incumbent upon the respective bureaus to identify additional opportunities, while ensuring that the inherently governmental tasks in each case continue to be carried out by DOI employees.

The Restoration Program Office, as part of the Office of the Secretary, follows the lead of the Departmental budget and financial management offices. Financial management improvements initiated by the Office of the Secretary will be fully assimilated into Restoration Program Office operations, such as the recent conversion to QuickTime, an electronic timekeeping system, and efforts to strengthen the certification of undelivered orders. The Restoration Program has no major financial management systems of its own.

The Restoration Program Office, consisting of four FTE, has not prepared and submitted a budget for information technology investments. The Program Office's information technology investments consist of four personal desktop computers. The Program does not own or operate any other information systems outside of these.

Performance Summary:

Restoration activities conducted under the auspices of the Restoration Program support the Department's Strategic End Outcome Goal No. 1.2, Sustain Desired Biological Communities on DOI -Managed and Influenced Lands and Waters. Specifically, Program activities support Strategy 1 – **Create Habitat Conditions for Desired Communities to Flourish** by restoring habitats that have been injured by releases of oil or hazardous substances.

End Outcome Goal - Sustain desired biological communities on DOI managed or influenced in a manner consistent with obligations regarding the allocation and use of water

DOI Strategic Goal: Resource Protection – Sustain Desired Biological Communities on DOI Managed and Influenced Lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and Use of Water							
Strategy: Create Habitat Conditions for Desired Biological Communities to Flourish							
Intermediate Outcome Measures	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Plan	FY 2005 Request	Change in Performance - 2004 to Planned 2005	Long-term Target (2008)
Habitat restoration: Number of acres restored or enhanced to achieve habitat conditions to support species conservation consistent with management documents, program objectives and consistent with substantive and procedural requirements of State and Federal Water Law	NA	NA	NA	1,074	1,250	176 (+16%)	1,615
Habitat restoration: Number of stream/shoreline miles restored or enhanced to achieve habitat conditions to support species conservation consistent with management documents, program objectives and consistent with substantive and procedural requirements of State and Federal Water Law	NA	NA	NA	30	60	30 (+100%)	195
Program Output Measures							
Cumulative sites where restoration activities have begun	83	114	126	146	176	+30	270
Cumulative settlement funds deposited into DOI Restoration Fund (millions of dollars)	\$192.0	\$202.9	\$239.9	\$275.0	\$307.0	+\$32.0	\$540.0

Consistent with the intermediate outcome measures in the Departmental Strategic Plan, program performance will be measured by the number of acres and the number of stream/shoreline miles restored in accordance with publicly approved restoration plans. The bureaus involved in the on-the ground restoration activities will collect these resource-based end outcome restoration

accomplishments and the Program Office will synthesize the bureau figures to report total accomplishments for the Department. In 2004, the program estimates that it will restore 1,074 acres and 30 shoreline/stream miles of habitat for injured trust resources. In 2005, the increase will enable the restoration of 1,250 acres and 60 shoreline/stream miles of habitat for injured trust resources, an incremental increase of 176 acres and 30 miles of restored habitat.

2004 is the baseline year for these program performance data. These data are not available for 2003 and previous years because the Program had not yet established a process for collecting this information from Bureaus in a consistent manner. The Bureaus will collect, validate, and verify the performance data before reporting to the Program.

In addition, the Program Office will report internally on the progress of cases through the assessment process to settlement, active restoration, and case completion using measures such as increased numbers of restoration plans drafted, finalized, and in stages of implementation; increased numbers of restorations completed; increased numbers of cooperative assessments with industry; and increased funding leveraged from restoration partnerships.

Organization Chart:

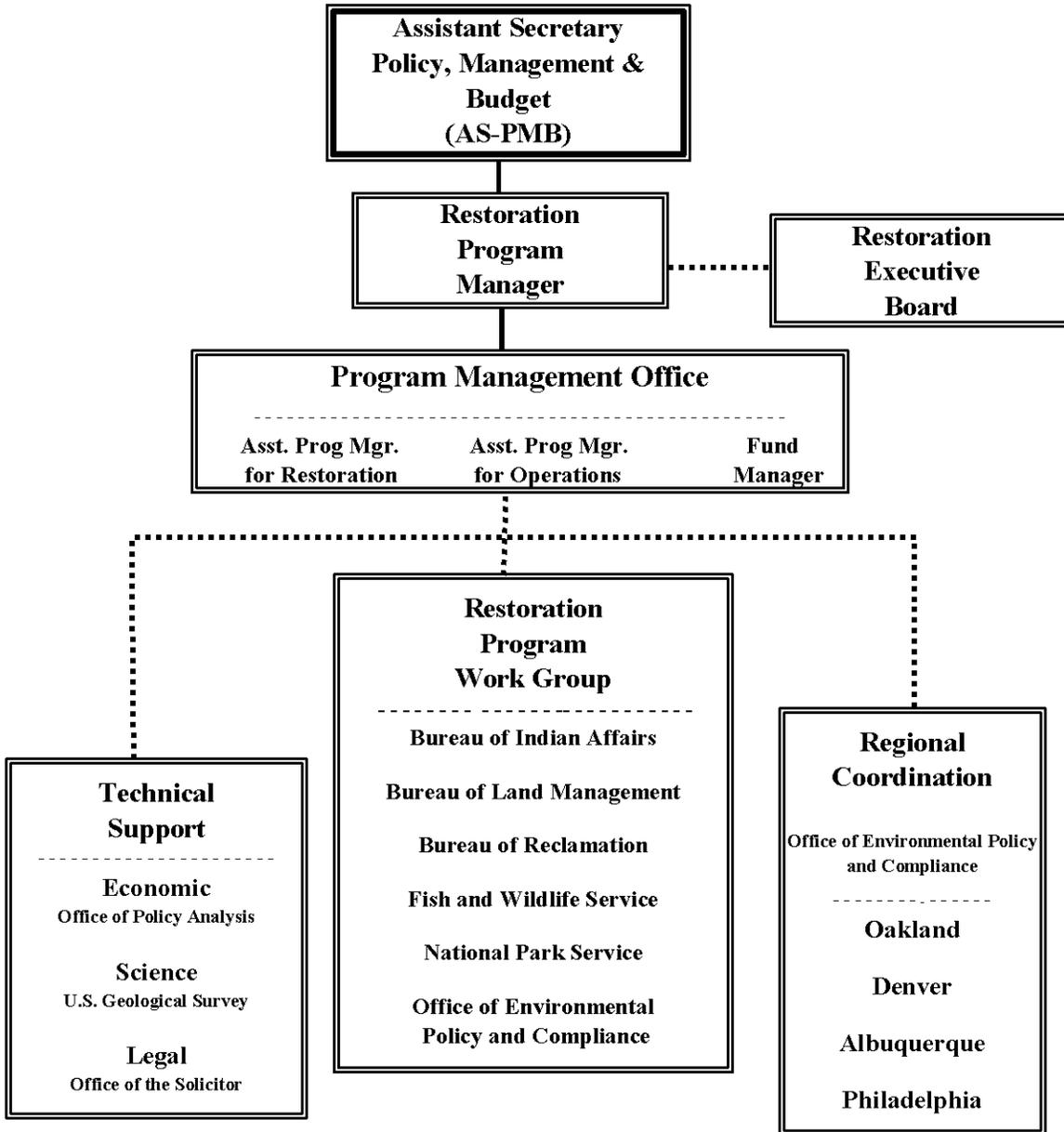
The Restoration Program Management Office consists of four FTE. They are the Program Manager and three staff: the Assistant Program Manager for Operations, the Assistant Program Manager for Restoration, and the Budget Officer/Restoration Fund Manager. In fiscal year 2005, the program requests an additional two FTE for restoration support. These new FTE will be located in Denver and will report to the Program Manager in Washington.

The following organization chart goes beyond the small number of people in the Program Management Office and depicts the integrated management structure of the Program as a whole, with the inter-related components of six bureaus, the Office of the Solicitor, and two offices within the Office of the Secretary.



Restoration Program

Assessment & Restoration Program



The Restoration Program reports to the Deputy Assistant Secretary - Policy and International Affairs, Policy, Management, and Budget (PMB). There is also a "Restoration Executive Board" representative at the assistant director level for BIA, BLM, BOR, FWS and NPS, a Deputy Associate Solicitor, and the Director of the Office of Environmental Policy and Compliance. The Restoration Executive Board is responsible for overseeing policy direction and approving allocations of resources.

Natural Resource Damage Assessment and Restoration Program

Appropriations Language:

To conduct natural resource damage assessment and restoration activities by the Department of the Interior necessary to carry out the provisions of the *Comprehensive Environmental Response, Compensation, and Liability Act*, as amended (42 U.S.C. 9601 et seq.), *Federal Water Pollution Control Act*, as amended, (33 U.S.C. 1251 et seq.), the *Oil Pollution Act of 1990* (Public Law 101-380) (33 U.S.C. 2701 et seq.), and *Public Law 101-337*, as amended (16 U.S.C. 19jj et seq.), [\$5,633,000] \$5,818,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriations Act, 2004*)

Authorizing Statutes:

Comprehensive Environmental Response, Compensation, and Liability Act, as amended, (42 U.S.C. 9601 et seq.). Section 106 of the Act authorizes the President to clean up hazardous substance sites directly, or obtain cleanup by a responsible party through enforcement actions. Trustees for natural resources may assess and recover damages for injury to natural resources from releases of hazardous substances and use the damages for restoration, replacement or acquisition of equivalent natural resources. Provides permanent authorization to appropriate receipts from responsible parties.

Federal Water Pollution Control Act (Clean Water Act), as amended, (33 U.S.C. 1251-1387). Authorizes trustees for natural resources to assess and recover damages for injuries to natural resources resulting from the discharge of oil into or upon the navigable waters of the United States, adjoining shorelines, the waters of the contiguous zone, or in connection with activities under the *Outer Continental Shelf Lands Act* or the *Deepwater Port Act of 1974*, or which may affect natural resources belonging to, appertaining to, or under the exclusive management authority of the United States.

Oil Pollution Act of 1990, (U.S.C. 101-380). Amends the *Federal Water Pollution Control Act*, and authorizes trustee(s) of natural resources to present a claim for and to recover damages for injuries to natural resources from each responsible party for a vessel or facility from which oil is discharged, or which poses a substantial threat of discharge of oil, into or upon the navigable waters or adjoining shorelines or the exclusive zone.

Public Law 101-337, (16 U.S.C. 19jj). Provides that response costs and damages recovered under it or amounts recovered under any statute as a result of damage to any Federal resource within a unit of the National Park System shall be retained and used for response costs, damage assessments, restoration, and replacements. Liability for damages under this Act is in addition to any other liability that may arise under other statutes.

Interior and Related Agencies Appropriation Act, 1992 (P.L. 102-154). Permanently authorized receipts for damage assessment and restoration activities to be available without further appropriation until expended.

Dire Emergency Supplemental Appropriations for Fiscal Year 1992 (P.L. 102-229). Provides that the Fund's receipts are authorized to be invested and available until expended. Also provides that amounts received by United States in settlement of *U.S. v Exxon Corp. et al.* in FY 1992 and thereafter be deposited into the Fund.

Interior and Related Agencies Appropriation Act, 1998 (P.L. 104-134). Provides authority to make transfers of settlement funds to other federal trustees and payments to non-federal trustees.

Summary of Requirements

(Dollars in Thousands)

Appropriation: Natural Resource Damage Assessment and Restoration Fund

	FTE	Amount	FTE	Amount
Appropriation enacted, 2004			4	5,564
Uncontrollable and Related Changes	0	+77		
Program Changes (detailed below)	+2	+177		
Total Requirements (2005 Request)			6	5,818

Comparison by Activity/Subactivity

Comparison by Activity	2003 Actual		2004 Estimate		Uncontrollable & Related Changes (+/-)		Program Changes (+/-)		2005 Budget Request		Inc. (+) Dec. (-) from 2004	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Damage Assessments		3,901		3,885	0	+14	0		0	3,899	0	+14
[Receipts]		[4,982]		[3,600]				[+200]		[3,800]		[+200]
Restoration Support		248		247	0	0	+2	+124	2	371	+2	+124
[Prince William Sound Restoration]		[2,481]		[2,600]				[-1,100]		[1,500]		[-1,100]
[Other Restoration]		[19,999]		[32,950]				[-2,150]		[30,800]		[-2,150]
Program Management	4	1,353	4	1,432	0	+63		+53	4	1,548	0	+116
[Receipts]		[156]		[250]				[+50]		[300]		[+50]
Total, Apropiation	4	5,502	4	5,564	0	+77	+2	+177	6	5,818	+2	+254
[Gross Receipts]		[27,618]		[39,400]		0		[-3,000]		[36,400]		[-3,000]

Justification of Uncontrollable and Related Changes (Dollars in Thousands)	2004 Budget	2004 Revised	2005 Change
Additional Operational Costs from 2004 and 2005 of January Pay Raises:			
Annualization of 2004 Pay Raise (4.1%).....	8	12	+16
Amount of pay raise absorbed	0	4	
2005 Pay Raise (1.5%).....	N/A	N/A	+30
Amount of pay raise absorbed			0
<p>These adjustments are for additional amounts needed in 2005 to fund the remaining 3-month portion of the estimated cost of the, on average, 4.1 percent pay increases effective in January 2004 and the additional costs of funding an estimated 1.5 percent January 2005 payraise for GS-series employees and associated pay rate changes made in other pay series.</p>			
Other Uncontrollable Cost Changes:			
Rental Payments to GSA and Others.....	54	54	+3
<p>The adjustment is for changes in the costs payable to General Services Administration and others from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.</p>			
Employer Share of Federal Health Benefits.....	115	115	+12
<p>The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees.</p>			
Departmental Working Capital Fund (WCF) Charges.....	73	73	+21
<p>The change reflects expected changes in the charges for Department services and other services through the working capital fund. These charges are displayed in the Budget Justification for Departmental Management.</p>			
One Less Payday.....	N/A	N/A	-5
<p>This adjustment reflects decreased costs resulting from the fact that there is one less payday in 2005 than in 2004.</p>			
Totals	250	258	+77

ACTIVITY: DAMAGE ASSESSMENT

Natural Resource Damage Assessment		2003 Actual	2004 Estimate	Uncontrollable & Related Charges (+ / -)	Program Changes (+ / -)	2005 Budget Request	Change From 2004 (+ / -)
Activity: Damage Assessment	(\$000)	3,901	3,885	+14	0	3,899	+14
	<i>FTE</i>	[0]	[0]	[0]	[0]	[0]	[0]

Activity Overview:

Damage assessment cases are conducted by one or more of the five principal trustee bureaus within the Department: (Fish and Wildlife Service; Bureau of Land Management; National Park Service; Bureau of Indian Affairs, and Bureau of Reclamation). Economic analytical support is provided by the Office of Policy Analysis, scientific/technical analysis and support from the U.S. Geological Survey, and legal counsel from the Office of the Solicitor. In nearly all cases, assessment efforts are carried out in partnership with other affected Federal, State, and/or tribal co-trustees. These partnerships have proven very beneficial to all involved, as cooperation and consultation among the trustees facilitates addressing overlapping areas of trustee concern, and consolidates those concerns into a single case. Trustees can also share data, achieve economies of scale, avoid duplication of effort and minimize administrative burdens. Responsible parties benefit from this as well, as they are able to address trustee concerns in a single case.

The Department continues to make progress in conducting many of its damage assessment cases on a cooperative basis with responsible parties. As a matter of practice, responsible parties are invited to participate in the development of assessment and restoration plans. Currently, the Department is involved in over twenty cooperative assessments, where the responsible parties have opportunities to provide input into the selection of various injury studies and contribute funding towards Interior assessment activities.

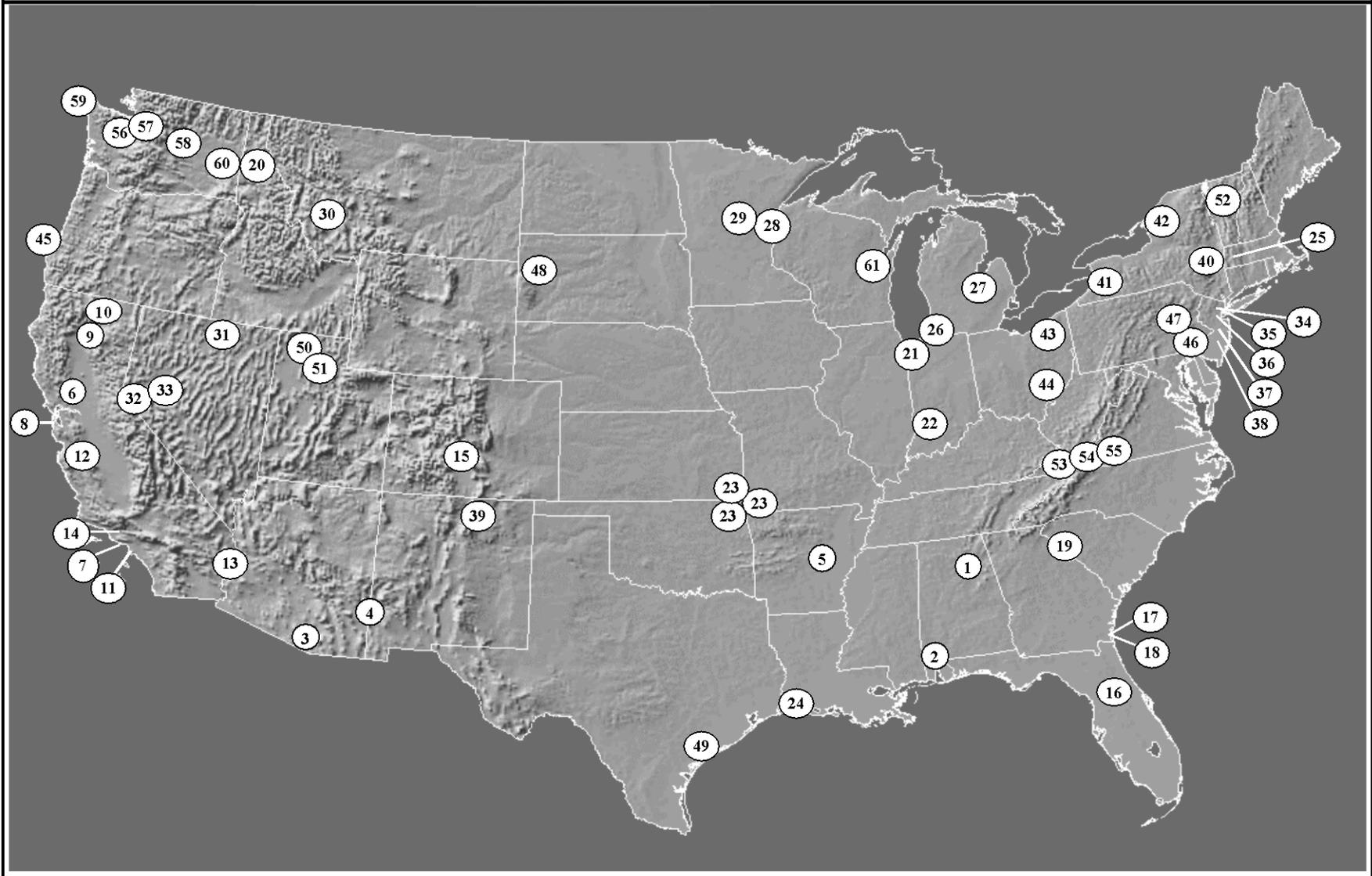
The Program's current caseload is depicted on the map and table on the following pages.

Selection of damage assessment projects is accomplished on an annual basis through an extensive internal proposal and screening process that assures that only the highest priority cases are funded. Priorities for selecting projects are based upon a case's likelihood of success in achieving restoration, either through negotiated restoration settlements or through successful litigation where necessary. Cases must demonstrate sufficient technical, legal, and administrative merit focused on the purpose of achieving restoration.

The Restoration Program's selection process is designed to:

- * Be inclusive of all natural resources under Interior trusteeship and trustee roles;
- * Provide a process that encourages thorough planning and ultimately, enhanced opportunities for restoration success;
- * Provide a process that evaluates both the objective and subjective aspects of individual cases; and

Damage Assessment and Restoration Sites
Funded by the Department of the Interior Restoration Fund



- Alabama**
- Anniston PCBs
 - CIBA - McIntosh NPL Site

- Arizona**
- Cyprus Tohono Mine
 - Phelps-Dodge Mine Complex

- Arkansas**
- Vertac/Bayou Meto

- California**
- Almaden Quicksilver
 - American Trader Oil Spill
 - APEX Houston Oil Spill
 - Cantara Loop Chemical Spill
 - Iron Mountain Mine
 - Los Angeles Bight / Montrose Chemical
 - New Idria Mine
 - PG&E Topock Compressor Station
 - Santa Clara River Oil Spill

- Colorado**
- Upper Arkansas River

- Florida**
- Lake Apopka - North Shore

- Georgia**
- LCP Chemical
 - Terry Creek
 - Lake Hartwell PCBs

- Idaho**
- Coeur d'Alene River and Basin (Bunker Hill Mining District)

- Indiana**
- Grand Calumet River
 - Viacom / Westinghouse PCBs

- Kansas**
- Tri-State Mining District - - Cherokee County

- Louisiana**
- Calcasieu Estuary

- Massachusetts/Connecticut**
- Housatonic River

- Michigan**
- Kalamazoo River
 - Saginaw River and Bay

- Minnesota**
- St. Louis River
 - St. Regis Paper

- Missouri**
- Tri-State Mining District - - Jasper County

- Montana**
- Grant-Kohrs Ranch (Clark Fork River)

- Nevada**
- Rio Tinto Mine
 - Leviathan Mine
 - Yerington Anaconda Mine

- New Jersey**
- Diamond Alkali
 - Great Swamp NWR
 - Berry's Creek Watershed
 - GAF / ISP-ESI Facility
 - U.S. Avenue Burn

- New Mexico**
- Molycorp Mine

- New York**
- Hudson River PCBs
 - Niagara River
 - St. Lawrence Environment

- Ohio**
- Ashtabula River
 - Ohio River

- Oklahoma**
- Tri-State Mining District - - Tar Creek (20)

- Oregon**
- M/V New Carissa Oil Spill

- Pennsylvania**
- Paoli Railyard
 - Palmerton Zinc

- South Dakota**
- Whitewood Creek

- Texas**
- Lavaca Bay

- Utah**
- Jordan River
 - Kennecott Copper-North End

- Vermont**
- Pine Street Canal

- Virginia**
- CERTUS - Clinch River Spill
 - Lone Mountain Coal Slurry
 - Saltville Disposal NPL Site

- Washington**
- Commencement Bay
 - Elliott Bay
 - Holden Mine
 - Tenyo Maru Oil Spill
 - Midnite Mine

- Wisconsin**
- Fox River / Green Bay

Feasibility Studies Damage Assessment in Progress Restoration Actions in Progress Tribal Involvement

- * Fund cases that have demonstrated sufficient levels of technical and legal merit, trustee organization, and case readiness.

The program regularly documents its assessment costs and attempts to recover those costs from the potentially responsible parties when negotiating settlement agreements. Over the past three years, the Program has utilized an average of \$1.8 million in recoveries annually to fund new and ongoing assessment needs.

2003 Activity Performance Accomplishments:

Damage assessment activities are a vital step in the process of restoring natural resources that have been injured by releases of oil or hazardous substances. The program outcome measures of acres and miles of habitat restored, however, cannot directly measure progress in this activity. Instead, the Program must rely on output measures, such as numbers of assessment cases that have been settled and amount of funds recovered in those settlements. In addition, in 2003 the Program developed milestone reporting requirements and received the first input of data that will enable the Program to report in future years on interim progress toward case settlement in these multi-year damage assessment cases.

In 2003, 10 damage assessment cases reached settlement. Through January 2004, the DOI Restoration Fund had recovered over \$562 million in gross settlement receipts and earned interest since its creation in FY 1992. Deposits and interest for FY 2003 totaled over \$27 million. FY 2004 net settlement recoveries are anticipated to be approximately \$35 million. (All amounts inclusive of Exxon Valdez oil spill funds).

REACHING SETTLEMENTS

Certus/Clinch River, Virginia

In February 2003, the United States and the Commonwealth of Virginia reached a \$3.8 million settlement with Certus Inc., an interstate trucking company, to recover natural resource damages and assessment costs arising from a chemical spill from an overturned tanker truck.

The spill in southwestern Virginia occurred in August 1998, and released more than 1,300 gallons of a toxic, liquid chemical product used in carpet manufacturing. The spill severely injured the aquatic habitat along a six-mile stretch of the Clinch River and destroyed populations of three endangered species of freshwater mussels, as well as causing major injuries to fish, other aquatic life and other natural resources.

The settlement will enable the trustees to restore important populations of endangered freshwater mussels and other natural resources. The impacted area provided excellent habitat for mussels and, prior to the spill was home to significant populations of more than a dozen species of native, freshwater mussels, including the federally-endangered Tan Riffle shell, Purple Bean and Rough Rabbitsfoot mussel species. Because of the unique reproductive characteristics, the recovered funds will finance a multi-year program to breed juvenile mussels in a laboratory setting for re-

introduction into the impacted reaches of the Clinch River to re-establish stable mussel populations.

2004 Planned Activity Performance:

In 2004, the program will utilize \$2.2 million in recovered past assessment costs from recent settlements and/or returned funds from completed assessments in addition to the \$3.9 million in appropriated funds for this activity. These funds will support damage assessment efforts at 26 sites, including one new feasibility start and three sites that received feasibility or emergency funding in 2003 and have matured into fully-developed cases. The Restoration Program evaluated original project proposals from the field that totaled over \$11.8 million in selecting projects for funding at this level.

The Program estimates that eight damage assessment cases (19% of ongoing cases) will reach at least a partial settlement in 2004. Settlements in 2004 are projected to return \$3.6 million in recovered assessment costs to the DOI Restoration Fund. In addition, the Program will be able to report on the numbers of ongoing cases that have reached specific milestones (assessment plan development, injury determination and quantification, claim for damages) in the multi-year process toward settlement.

Justification of 2005 Program Changes:

The 2005 request of \$3.9 million for damage assessments includes no program changes and only an increase of \$14,000 for uncontrollable costs. In 2005, the Program will continue to fund ongoing damage assessment cases and may initiate new cases if funding is available and the new cases meet the selection criteria described above in the activity overview.

2002 to 2005 Performance Summary:

This activity indirectly supports the Department's Strategic End Outcome Goal No. 1.2, Sustain Desired Biological Communities on DOI -Managed and Influenced Lands and Waters, specifically Strategy 1 – **Create Habitat Conditions for Desired Communities to Flourish** by restoring habitats that have been injured by releases of oil or hazardous substances. Damage assessments are an integral step leading to the resolution of damage claims, which when settled, provide the funds or services necessary for natural resource restoration. Performance under this activity, however, is not captured directly by the resource-based Departmental strategic outcome measures such as the number of acres and the number of stream/shoreline miles restored in accordance with publicly approved restoration plans.

Through the current year, the Restoration Program has relied on two intermediate measures to track program performance: the cumulative number of sites where restoration activities have begun and the cumulative amount of funds deposited into the DOI Restoration Fund. During the transition to the new resource-based performance measures, the program will continue to report on these intermediate measures as well.

As described above, the Program instituted a process in 2003 across all the bureaus to track and report progress within the ongoing damage assessment cases. Key milestones in this tracking

system are linked to the NRDAR damage assessment regulation and include development of assessment plans, injury, injury determination and quantification, pathway, and development of damage claims, and case settlement. Beginning in 2004, the Program will be able to report on the progress of cases through the assessment process to settlement, using measures such as number of cases reaching various milestones, numbers of cooperative assessments with industry, and number of cases settled.

ACTIVITY: RESTORATION SUPPORT

Natural Resource Damage Assessment		2003 Actual	2004 Estimate	Uncontrollable & Related Charges (+ / -)	Program Changes (+ / -)	2005 Budget Request	Change From 2004 (+ / -)
Activity: Program Management	(\$000)	248	247	0	+124	371	+124
	<i>FTE</i>	[0]	[0]	[0]	[+2]	[2]	[+2]

Activity Overview:

The creation of the Restoration Support activity occurred in FY 2003 and was spurred by the realization of the need to better balance the program between conducting damage assessments and implementing restorations. As a result of achieving many successful settlements in recent years, the Restoration Program recognized the need to provide a broader and more substantive institutional emphasis on accomplishing restoration in a timely fashion whenever possible. This need goes beyond simply planning and implementing restoration on a case-by-case manner, as had been the practice.

Interior bureaus, working in partnership with other affected State, Federal, and tribal co-trustees, use settlement funds carry out Restoration activities. While responsible for a number of notable restoration successes and accomplishments, the bureaus continue to be challenged by limited staff resources and competing priorities. An analysis of progress on restoration settlements conducted in FY 2000 indicated that most settlements had some form of restoration activities initiated (trustee coordination, planning, etc.). The restorations described below and others reflected on the map (see pages 14 -15) provide examples of restoration successes.

Over ninety-one percent of all funds received and interest earned to date from natural resource damage case settlements are designated as restoration funds, and can be used only for restoration planning, implementation (including land acquisition), oversight, and monitoring of implemented restoration actions at a specific site or related to a specific settlement, after the issuance of an approved restoration plan. The use of such funds represents a real value to the American public, as injured natural resources and services are restored at the expense of the responsible party, and not the taxpayers. In addition to settlement funds deposited into the DOI Restoration Fund, the Department is a party to other natural resource damage settlements where settlement funds are deposited into a Court Registry or some other account selected by the Trustees. Additionally, there are a number of settlements where the responsible parties have agreed to undertake or implement the restoration action, with trustee agencies providing oversight to ensure compliance

with the terms of the settlement and adherence to the approved and public-reviewed restoration plan.

2003 Activity Performance Accomplishments:

In 2003 and previous years, the Restoration Program has only had anecdotal information and data on restoration performance, which had not been collected in a uniform systematic fashion. In 2003, the Program reached agreement to measure restoration success consistently across five trustee bureaus in the Department. This development of common performance measures contributes to the Secretary's implementation of the President's Management Agenda through improved inter-bureau integration and accountability. The common measures, acres of habitat and miles of stream/shoreline restored, will be collected by each bureau and reported to the Program Office, which will synthesize the bureau figures to report total accomplishments for the Department, ensuring that cases with multi-bureau involvement are not double-counted.

The Program received \$248,000 in funding (net of \$250,000 minus an across the board decrease government-wide) for the Restoration Support Activity for the first time in fiscal year 2003. This funding, redirected from the Damage Assessment Activity, was used to initiate pilot projects to regional restoration and restoration planning approaches in partnership with non-profit conservation groups and with the Bureau of Reclamation Technical Services Center. In addition, the Technical Services Center began development of a restoration docket to house program performance data as well as information on completion of key milestones on the path from assessment through settlement and restoration.

In FY 2003, (excluding Exxon Valdez), \$17.6 million was released from the DOI Restoration Fund to DOI and other trustee agencies for restoration activities, compared to \$10.8 million in FY 2002. By the end of FY 2003, a cumulative 126 restoration actions had been undertaken, which exceeds the FY 2003 performance goal of 125 such actions.

Selected case examples that highlight various restoration successes are described below.

RESTORING INJURED RESOURCES

Iron Mountain Mine, California

For nearly a century starting in the 1860's, Iron Mountain Mine (IMM) in California was mined intermittently for iron, silver, gold, copper, zinc, and pyrite. Though mining operations were discontinued in 1963, underground mine workings, waste rock dumps, mine tailings, and water flows from mine adits produced acid mine drainage and toxic metals releases that entered local streams, reservoirs and the Sacramento River. The Trustees for this case are the Department of the Interior, (represented by the Fish and Wildlife Service (FWS), Bureau of Land Management (BLM), and Bureau of Reclamation), NOAA, and two state agencies. As part of the natural resources damage assessment for the Iron Mountain Mine site, the Trustees estimated that releases of hazardous substances in connection with the site killed millions of fall-run chinook salmon in the Sacramento River between 1981 and 1996, destroyed associated riparian and in-stream habitats, and prohibited public recreation opportunity on the site for many years because of hazardous conditions and necessary remedial activities. In December 2000, as part of a global

settlement of all response and resource damages claims, the Trustees reached a settlement in which the responsible parties agreed to pay \$9 million for natural resource restoration projects.



Trustee representative from FWS presenting Iron Mountain Mine funds to officials from The Nature Conservancy.

To address injury to salmon, in the spring of 2003, the Iron Mountain Mine Trustee Council made a commitment to provide The Nature Conservancy (TNC) with \$2.2 million from the settlement for the acquisition of conservation easements on 6,800 acres to protect salmon habitat along Battle Creek, an important salmon stream in Shasta and Tehama counties. Salmon were injured by decades of releases of metal-contaminated acid mine drainage into the Sacramento River from Iron Mountain Mine, located about 40 miles upstream of the confluence of the Sacramento River and Battle Creek.

To partially address injury to the BLM-managed lands within the remedial site boundaries, BLM received 1,200 acres of uncontaminated lands from the responsible parties. To address the public's loss of recreation opportunity on public lands affected by site contamination, the Trustee Council agreed to provide \$550,000 to BLM for numerous recreation enhancement projects, in concert with inter-governmental planning of recreation development. Projects include the construction and improvement of trails, such as the Rail Trail that expands regional trail access and links existing trails, the construction of new bridges at impassable areas, the installation of gates, water service, and restrooms at trailheads, and the building of kiosks with interpretive information about mining and local history.

The remaining recovered funds will be allocated to other actions over the next several years that restore salmon resources in the Sacramento River and watershed.

Montrose Settlements – Channel Islands, California

Between the 1940s and the 1970s, the Montrose chemical manufacturing company and other industrial facilities contaminated the marine environment off Los Angeles with DDT and PCB wastes. As a result of DDT and PCB contamination, Bald Eagles have not bred in the wild in Southern California in over 50 years. After 10 years of litigation, the final settlements on the Montrose natural resource damage assessment case were reached in 2000 for approximately \$70 million to be used jointly for restoration of the injured natural resources by the natural resource trustees.

As a member of the Trustee Council, the US Fish and Wildlife Service has worked on the restoration in partnership with the National Oceanic and Atmospheric Administration, National Park Service, California Department of Fish and Game, California State Lands Commission, and California Department of Parks and Recreation. One of the major components of the Montrose Settlements Restoration Program is the restoration of bald eagles to the Channel Islands in cooperation with the Institute for Wildlife Studies and the San Francisco Zoo. The Department is involved in restoring bald eagle populations on two islands where they historically bred prior to the widespread contamination of the surrounding environment. To improve breeding success hampered by DDT-caused eggshell thinning, eggs are removed immediately after being laid, and are carefully incubated and hatched at the San Francisco Zoo, then returned to the nest.



Bald eagle chick returned to nest after hatching at the San Francisco Zoo



Adult and two re-introduced juvenile eagles on Catalina Island.

To date, six breeding pairs have established nesting territories on Santa Catalina Island, including three second generation eagles. The release of 12 bald eagle chicks per year began on Santa Cruz Island in 2002 as part of a five-year feasibility study. Ongoing monitoring of eagle movements, diet, and exposure to contaminants will be used to predict the degree of human intervention, if any, that will be needed for successful reproduction once the birds begin breeding at approximately five years of age.

Fox River/Green Bay PCBs, Wisconsin

Upon final approval of the Fox River/Green Bay Restoration plan early in 2003, the Trustee Council has begun to implement dozens of projects to utilize the \$20 million in restoration funding already pledged from interim settlements of this extensive PCB contamination site. Further settlement agreements with additional responsible parties are expected to become final in 2004 and beyond. In one of the first wave of projects implemented, the Oneida Tribe has begun the engineering design and gathered public input for the construction of a 40-acre lake within the boundaries of the Tribe's reservation.

The final goal of this project is to replace the injured fishery and tribal cultural resources lost because of the release of PCBs into the Fox River ecosystem. Because estimates indicate that it will take in excess of 40 years for the contamination level of PCB in fish in the Fox River/Green Bay fishery to drop below the FDA recommended maximum level for unlimited consumption, tribal fishery restoration on site was not a viable option. Creation of the lake will allow the Oneida Tribe to resume their traditional diet and cultural practices without fear of PCB injuries and will create a sustainable fishery for Tribal members with minimal impact from non-tribal influences. The lake will also provide additional cultural significance as the construction design allows for wild rice beds, inclusion of ceremonial gathering sites and educational opportunities for the Oneida Tribe. Actual construction of the lake is scheduled to start in 2005, with fishing envisioned by 2008, and a self-sustaining lake ecosystem and fishery within ten years.

Padre Island National Seashore, Texas

In 1995, two tankers (M/V Berge Banker and M/T Skaubay) collided off the Texas Gulf coast, spilling approximately 845 barrels of Bunker C oil. Despite cleanup efforts, the majority of the oil submerged and migrated westward where it washed up as tar balls and tar mats on 186 miles of public beaches. A natural resource Trustee Council was formed, composed of the National Park Service, U.S. Fish and Wildlife Service, Texas Commission on Environmental Quality, Texas General Land Office, and Texas Parks and Wildlife Department. A settlement with the responsible parties resulted in \$1.6 million being awarded to the Trustees. To date, \$80,000 of this has been spent on primary restoration projects in Padre Island National Seashore including the replacement of 28,000 cubic yards of sand, the installation of fencing to promote sand dune growth, and the repair of a park facility that was damaged during emergency cleanup activities. The remaining \$1.5 million is to be spent on compensatory restoration projects. The Trustee Council utilized \$155,000 for restoration planning to develop, analyze the environmental effects of, and choose the restoration projects to be implemented. These projects will address bird restoration, dune and dune vegetation restoration, and the restoration of lost recreational uses at the Texas State Parks and at Padre Island National Seashore. They are described in the August, 2003 document "Skaubay/Berge Banker Oil Spill Final Restoration Plan / Environmental Assessment." The design and implementation of these projects have begun and will continue over the next three to five years.

Lonsdale Drive-In, Rhode Island

In 2003, twenty acres of asphalt, a dilapidated movie screen and hundreds of speaker posts were bulldozed and excavated at the Lonsdale Drive-In in Lincoln, Rhode Island to restore riparian wetland and upland habitat along the Blackstone River. The native grasses of the restored coastal sandplain uplands provide important habitat for several species of migratory birds. The State of Rhode Island and the U.S. Fish and Wildlife Service contributed more than \$250,000 in settlement funds and an additional \$400,000 in land that resulted from the natural resource damages settlement at the Landfill and Resource Recovery Superfund Site in North Smithfield, Rhode Island. These contributions comprised the majority of the match required for the \$2.6 million project. The project was led by the U.S. Army Corps of Engineers, with additional assistance provided by the recently-formed Rhode Island Corporate Wetlands Partnership and the Rhode Island Coastal Resources Management Council.



Lonsdale Drive-In prior to restoration (USFWS photo)



Lonsdale Drive-In after restoration efforts (CoE photo)

Lake Apopka, Florida

On October 8, 2003, the U.S. Fish and Wildlife Service cooperatively resolved a criminal investigation and Natural Resource Damage claim against the St. Johns River Water Management District. Beginning in 1997, the District sold conservation easements to the USDA Natural Resource Conservation Service to enroll their properties along the north shore of Lake Apopka into the Wetland Reserve Program. Preliminary risk assessments conducted on one of the larger parcels prior to restoration activities disclosed the presence of organochlorine pesticide compounds, historically used when the lands were in agricultural production. Despite this information, the District flooded approximately 13,000 acres during the peak bird migration period in 1998. Beginning in November 1998, about 1,000 birds died, including federally listed wood storks. Certain organochlorine compounds located on the flooded farm properties, including dieldrin, toxaphene and DDT and its metabolites, were the cause of the bird deaths.



Wood storks were impacted by pesticides at Lake Apopka, FL.

During the preparation of the Damage Assessment and Restoration Plan for the resolution of the claim, an opportunity arose for the District to purchase and protect the Matanzas Marsh, an undeveloped 8,465-acre tract of land in St. Johns County, Florida, which contains one of the two largest wood stork colonies in Northeast Florida. As trustee, the Fish and Wildlife Service ensured that the settlement agreement included obligations to ensure the long-term monitoring and management of the property.

MEASURING RESTORATION SUCCESS

APEX Houston Oil Spill, California

In January 1986, the barge *APEX Houston* spilled approximately 20,000 gallons of crude oil into the Pacific Ocean. The spill killed approximately 10,000 birds, the majority of which were common murres, duck-sized seabirds that nest colonially on rocks and islands along the California coast. The spill resulted in the extirpation of a murre nesting colony at Devil's Slide Rock, located about 15 miles south of San Francisco.

In 1994, the case was settled for approximately \$6.4 million, with nearly \$5 million of the settlement targeted for restoration of common murres. After publication of a Restoration Plan, the Fish and Wildlife Service and other natural resource trustees (California Department of Fish and Game and National Oceanic and Atmospheric Administration), in partnership with the Humboldt State University Foundation, National Audubon Society, U.S. Geological Survey, and Point Reyes Bird Observatory, embarked on a multi-year project to restore the Devil's Slide Rock murre colony, monitor nesting success at this and other nearshore colonies, and conduct public outreach and education.

The Devil's Slide Rock colony restoration uses a technique called social facilitation, which involves attracting murres back to the island with decoys, recorded calls, and mirrors. Through eight years, the project has been very successful, as measured by the numbers of territorial sites, breeding sites, and chicks produced. Murres began visiting the rock within hours of project implementation in 1996, and six pairs of murres nested on Devil's Slide Rock that year. Prior to implementation, murres had not nested at Devil's Slide Rock since the oil spill in 1986, an absence of 10 years. Since 1996, the number of nesting murres has steadily increased (see table below), and the goal of 100 nesting pairs established in the Restoration Plan has been met for three consecutive years. To ensure that the restored colony will be self-sustaining and continue to grow towards its pre-spill size of approximately 1,000 pairs, the amount of decoys and other social facilitation equipment in use will gradually be reduced over the next five years.

Number of Murre Breeding and Territorial Sites at Devil's Slide Rock, 1996-03.

Measure of Success	1996	1997	1998	1999	2000	2001	2002	2003
# Territorial Sites ^a	5	9	10	16	25	46	43	90
# Breeding Sites ^b	6	9	13	70	98	113	123	109
# Chicks Fledged	3	7	6	59	75	85	95	TBD

^a Territorial sites are sites that were regularly occupied and defended by murre pairs but eggs were not laid.

^b Breeding sites are sites where eggs were laid.

Tubbs Island Restoration -- United Heckathorn Site, California

The United Heckathorn Superfund site, located in San Francisco Bay, was used to formulate and package DDT from 1947 to 1966. These operations resulted in extensive DDT contamination of soil and harbor sediments and injury to numerous natural resources including fish-eating birds and mammals, fish, and benthic invertebrates. The U.S. Fish and Wildlife Service, in conjunction with co-trustees National Oceanic and Atmospheric Administration and the

California Department of Fish and Game initiated a natural resource damage assessment claim against the responsible parties and negotiated a \$365,000 settlement to fund restoration of the lost ecological services.

After extensive analysis, the Trustees selected Lower Tubbs Island as the restoration site. This 72-acre plot in the San Pablo Bay National Wildlife Refuge had been enclosed by levees and converted to agricultural use at the turn of the century. Although farming ceased in 1983, lack of tidal input reverted the area to grasses and weeds that provided limited wildlife habitat. Restoration was started in March 2002, when a 150-foot section of the outer levee was breached to allow tidal action. Soon after, tides inside the levees closely followed those of the Bay.



Breaching the levee at Lower Tubbs Island, San Pablo Bay NWR, CA

Aerial view of created wetland

Early monitoring surveys at the site have shown dramatic changes in vegetation and bird use in response to the breach. The number of plant species present has nearly doubled, from eleven to twenty. The coverage of non-native plant species decreased from 46% to 25.8% after the levee breach. In addition, the occurrence of birds has increased from nineteen species to forty-six post-breach.

2004 Planned Activity Performance:

In 2004 the Program will utilize resource-based end outcome restoration accomplishments (acres of habitat, miles of stream/shoreline restored) that will be collected and reported directly by the bureaus involved in the on-the ground restoration activities. The Program Office will synthesize the bureau figures to report total accomplishments for the Department, ensuring that cases with multi-bureau involvement are counted, but not double-counted. In 2004, the Program estimates that it will restore 1,074 acres and 30 shoreline/stream miles of habitat for injured trust resources. 2004 results will form the baseline for future performance results measurement.

In 2004, the Program will finalize the Draft Restoration Handbook and the Restoration Policy that were developed and tested during FY 2003 and previous years. The Program will finalize and use the various partnership tools begun in FY 2003, such as the memoranda of understanding

with non-government groups and support from the Bureau of Reclamation Technical Services Center, to aid these restoration efforts.

The program will continue docket development and the pilot projects on restoration planning and regional restorations that were begun with 2003 funding and support field efforts to expand restoration partnerships with non-profit conservation groups, industry, and other interested parties. The focus of the \$250,000 will continue to be to provide assistance to the field for the sole purpose of getting restoration accomplished on the ground.

Justification of 2005 Program Change:

Budget Activity/Subactivity	2003 Actual	2004 Estimate	2005 Request	Change from 2004
Restoration Support	248	247	371	+124 (+50%)
FTE	0	0	2	+2
Other Major Resources:				
Settlement funds held in DOI Restoration Fund (estimated)	145,000	175,000	200,000	+25,000
Settlement funds held in various court accounts (estimated)	100,000	100,000	100,000	- - -
Performance Summary:				
Acres of habitat restored	NA	1,074	1,250	176 (+16%)
Stream/shoreline miles restored	NA	30	60	30 (+100%)
Cumulative sites with restoration activities	126	146	176	30 (+20%)

Restoration Support +\$124,000:

The requested increase of \$124,000 provides a 50% increase in funding for the Restoration Support activity. The request is in direct response to a NRDAR workforce gap analysis, which identified increased interagency restoration support as the greatest program need to accomplish its missions and goals over the next five years. The increase, when combined with the base of \$250,000, will allow the Program to assist the bureaus with strengthened field support for the restoration of natural resources that have been injured or lost by releases of oil or hazardous substances, consistent with the strategic goal of Resource Protection identified in the Department's Strategic Plan. The increase also supports improved integration of the Department's restoration activities, with a continued emphasis on utilizing the "4 Cs".

The 2005 budget request includes two additional FTE for the Program, to be housed in Denver, co-located with other related bureau offices, to aid all the bureaus by concentrating technical expertise (such as contracting acquisition, realty, cost accounting and project management) and partnership coordinators (with strong ties to restoration opportunities in NOAA, the Corps of Engineers, other agencies, and with non-governmental partners) in a single location. These FTE will support restoration activities within all the bureaus involved in the Program. The Program also plans to augment this technical expertise with the addition of existing bureau staff who will

complete temporary rotational assignments to enhance cross-bureau exchanges of information and expertise. While these new restoration support staff will focus primarily on Restoration Program sites, there also will be opportunities for cooperative partnerships with a number of other programs within the Department. Beyond the Restoration Program, activities will be coordinated to enhance the conservation and restoration efforts carried out by programs such as the FWS Joint Ventures, Coastal, and Partners for Fish and Wildlife Programs and the NPS Conservation Challenge. Funding will also be used for rent, utilities, communication, equipment and travel costs, and to establish and manage indefinite quantity contracts for future restoration support. Lastly, the two FTE will manage and lead the continuation and evaluation of pilot efforts begun in FY 2003 in the area of Program Support. These include development of a Restoration Program Docket, development of site-specific restoration plans, and development of regional restoration plans.

2002 to 2005 Performance Summary:

Restoration activities conducted under the Restoration Support Activity support the Department’s Strategic End Outcome Goal No. 1.2, Sustain Desired Biological Communities on DOI -Managed and Influenced Lands and Waters. Specifically, these restoration activities support Strategy 1 – **Create Habitat Conditions for Desired Communities to Flourish** by restoring habitats that have been injured by releases of oil or hazardous substances.

End Outcome Goal - Sustain desired biological communities on DOI managed or influenced in a manner consistent with obligations regarding the allocation and use of water

DOI Strategic Goal: <u>Resource Protection</u> – Sustain Biological Communities on DOI Managed and Influenced Lands and Waters in a Manner Consistent with Obligations Regarding the Allocation and Use of Water						
Strategy: Create Habitat Conditions for Desired Biological Communities to Flourish						
Intermediate Outcome Measures	FY 2002 Actual	FY 2003 Actual	FY 2004 Plan	FY 2005 Request	Change in Performance - 2004 to Planned 2005	Long-term Target (2008)
Habitat restoration: Number of acres restored or enhanced to achieve habitat conditions to support species conservation consistent with management documents, program objectives and consistent with substantive and procedural requirements of State and Federal Water Law	NA	NA	1,074	1,250	176 (+16%)	1,615
Habitat restoration: Number of stream/shoreline miles restored or enhanced to achieve habitat conditions to support species conservation consistent with management documents, program objectives and consistent with substantive and procedural requirements of State and Federal Water Law	NA	NA	30	60	30 (+100%)	195
Program Output Measures						
Cumulative sites where restoration activities have begun	114	126	146	176	+30	270

Performance will be measured by the number of acres and the number of stream/shoreline miles restored in accordance with publicly approved restoration plans. For the first time, in 2004 these resource-based end outcome restoration accomplishments will be collected and reported directly by the bureaus involved in the on-the ground restoration activities. The Program Office will synthesize the bureau figures to report total accomplishments for the Department, ensuring that cases with multi-bureau involvement are counted, but not double-counted. In 2004, the program estimates that it will restore 1,074 acres and 30 shoreline/stream miles of habitat for injured trust resources. In 2005, the increase will enable the restoration of 1,250 acres and 60 shoreline/stream miles of habitat for injured trust resources an incremental increase of 176 acres and 30 miles of restored habitat.

Through the current year, the Restoration Program has relied on two intermediate measures to track program performance: the cumulative number of sites where restoration activities have begun and the cumulative amount of funds deposited into the DOI Restoration Fund. During the transition to the new resource-based performance measures, the program will continue to report on these intermediate measures as well. For 2004, the Program has set targets to initiate restoration activities at 20 new sites (146 sites cumulative) and to deposit \$35.0 million in new settlement funds (\$275.0 million cumulative) into the DOI Restoration Fund. Historically, greater than 90 percent of the Fund deposits have been for restoration. The remainder is from recoveries for past assessment costs, which are used to fund future assessment needs.

Due to the long-term nature of many of the natural resource injuries that the Program addresses, and the ensuing need for long-term restoration and success monitoring, the Program will continue to track progress internally through the use of current output measures as well as interim reporting of resource-based outcomes.

In addition, the Program Office will report on output measures including the number of restoration plans drafted, finalized, and in stages of implementation; numbers of restorations completed; increased numbers of cooperative restorations with industry; and increased funding leveraged from restoration partnerships.

ACTIVITY: PROGRAM MANAGEMENT

Natural Resource Damage Assessment		2003 Actual	2004 Estimate	Uncontrollable & Related Charges (+/-)	Program Changes (+/-)	2005 Budget Request	Change From 2004 (+/-)
Activity: Program Management	(\$000)	1,353	1,432	+63	+53	1,548	+116
	<i>FTE</i>	[0]	[0]	[0]	[0]	[0]	[0]

Activity Overview:

Program Management provides the vision, direction, management, and coordination of inter-Departmental activities necessary for the Department to carry out the Restoration Program. In short, it manages the intersection of complex interdepartmental relationships between biology, environmental toxicology, natural resource management, economics and law. The Program Management activity allocates damage assessment project funding; monitors program performance and ensures accountability; provides the framework for identifying issues that raise significant management or policy implications; develops the Department's policies and regulations for conducting and managing damage assessment and restoration cases; responds to Departmental, OMB, and Congressional inquiries; and ensures coordination among Federal, State, and Tribal governments.

2003 Activity Performance Accomplishments:

In 2003, the Restoration Program Office worked closely with the bureaus to develop natural resource-based performance measures, tied to the Departmental and multiple bureau strategic plans. These new measures will attempt to track ecologically significant program outcomes, such as species or populations restored or enhanced, or numbers of acres or miles of habitat improved instead of the current output-oriented measures currently in use. The Draft Restoration Handbook, provided to field users at the end of FY 2002, includes a section discussing on-the-ground monitoring of restoration success. Due to the long-term nature of many of the natural resource injuries that the Program addresses, and the ensuing need for long-term restoration and success monitoring, the Program will continue to track progress internally through the use of current output measures as well as interim reporting of resource-based outcomes.

Resource-based outcome measures are not appropriate for measuring the performance accomplishments of the Program Management activity, as this activity provides vision, leadership, direction, management, and coordination necessary to support on-the-ground restoration by the trustee bureaus. Output measures more accurately portray accomplishments achieved within the Program Management activity. Resource-based outcomes more accurately measure on-the-ground restoration accomplishments. In 2003, the Program developed a case milestone reporting requirement and received the first set of data input on Departmentally-funded damage assessment cases. This systematic approach will allow the Program to better manage and report on progress toward successful conclusion of the multi-year damage assessment and restoration cases that make up the Program docket.

In 2003 the Program Office also worked closely with the bureaus to develop common Activity-Based Cost (ABC) accounting measures across bureau lines. These cross-bureau ABC measures, which are being implemented in fiscal year 2004, coalesce into three major measures – assessment, restoration, and program management. Individual bureaus and case teams will also collect data at a finer level of detail to be used in documenting costs that may be recoverable in settlement agreements.

At a national workshop held in February 2003, the Program provided training for over 100 bureau practitioners on a variety of topics including project management, damage claim development, restoration methods and other scientific and legal issues. As an indicator of increased communication and coordination with other entities, State, Tribal, and Federal co-trustees, as well as representatives from industry and the conservation community also attended the workshop.

2004 Planned Activity Performance:

In 2004, the Program will build upon the accomplishments achieved in 2003 to implement common activity-based cost accounting, resource-based performance measures, and cross-bureau management tools. The Program will also continue to strengthen its coordination and consultation with industry, environmental organizations, and other interested parties, which has focused on getting to restoration quicker and on improving the cooperative assessment process.

Sustained Program Management funding will enable the program to maintain support for bureau workgroup representation, ensuring greater integrated program management. The request includes funds for program support positions in the five primary bureaus (BIA, BLM, BR, FWS, NPS), technical support offices (USGS, Office of Policy Analysis, and Solicitor) and OEPC. The Program Office currently provides \$78,000 (approximately 0.7 FTE) to each participating bureau for workgroup participation and program support. A fully integrated Departmental program requires at least this level of bureau participation on the workgroup and Program Management Team, as well as continued regional coordination and technical support in science, economics, and the law. The request level supports the workgroup as the Program conducts its communication, consultation, and coordination activities with industry, the environmental community and Federal, State, and Tribal co-trustees, as well as supporting workgroup participation on broad Departmental and government-wide initiatives including state-wide and regional restoration planning initiatives. The Program will continue to refine restoration policy, guidance, procedures and standards. Program management funds also support better business practices, including improvements in cost accounting and cost documentation to enhance recoveries, implementation of project management and document management systems, and facilitate ‘tech transfer’ of successful assessment and restoration tools currently used in individual bureaus. Continued development and broader use of these tools will help ensure cross-bureau consistency and compatibility of information and systems, allowing the program to serve as a model for integrated management Department-wide.

In 2004, the Program will expand its coordination and partnerships with industry and non-profit groups; and identify and resolve any Department-wide or bureau-specific policy impediments to restoration. The primary vehicle for this broadened external focus will be through the

establishment of a Natural Resource Damage Assessment and Restoration Advisory Committee under the Federal Advisory Committee Act. The formation of this committee is an outgrowth of discussions with State and Federal co-Trustees and industry representatives. Strong interest was expressed in extending this dialogue to include other interested parties such as environmental groups, university scientists, and economists and undertake an intensive exploration of actual practice issues and protocols related to cooperative assessments and restoration. These discussions will take place in a non-case specific, programmatic context.

Justification of 2005 Program Changes:

Annual Financial Audit +\$53,000:

In compliance with the Chief Financial Officers Act of 1990, the Department's consolidated financial statement and individual bureau financial statements are audited annually. The Department has benefited significantly from these independent and objective evaluations. Beginning in 2002, the Department began to contract with a private sector audit firm for the annual financial audits, with funding specifically appropriated for this purpose in the Office of the Inspector General (OIG).

Due in large part to the Department's outdated financial system and the resultant delays in reporting, audit costs were higher than the amount appropriated. Each year the Department used credit card rebate funding and other bureau resources to fund the additional audit costs.

The 2005 request of \$53,000 for financial audit funding identifies the anticipated full cost of the annual audit. The amount requested includes funds transferred from the OIG and amounts comparable to what the bureaus have been supporting in their budgets, exclusive of the cost of the audit relative to unanticipated, unique, bureau-specific audit issues.

2002 to 2005 Performance Summary:

This activity indirectly supports the Department's Strategic End Outcome Goal No. 1.2, Sustain Desired Biological Communities on DOI -Managed and Influenced Lands and Waters, specifically Strategy 1 – **Create Habitat Conditions for Desired Communities to Flourish** by restoring habitats that have been injured by releases of oil or hazardous substances. Program management provides the corporate infrastructure and policy direction necessary to support natural resource restoration. Performance under this activity, however, is not captured directly by the resource-based Departmental strategic outcome measures such as the number of acres and the number of stream/shoreline miles restored in accordance with publicly approved restoration plans.

Through the current year, the Restoration Program has relied on two intermediate measures to track program performance: the cumulative number of sites where restoration activities have begun and the cumulative amount of funds deposited into the DOI Restoration Fund. During the transition to the new resource-based performance measures, the program will continue to report on these intermediate measures as well.

EXXON VALDEZ OIL SPILL RESTORATION PROGRAM

Authorities

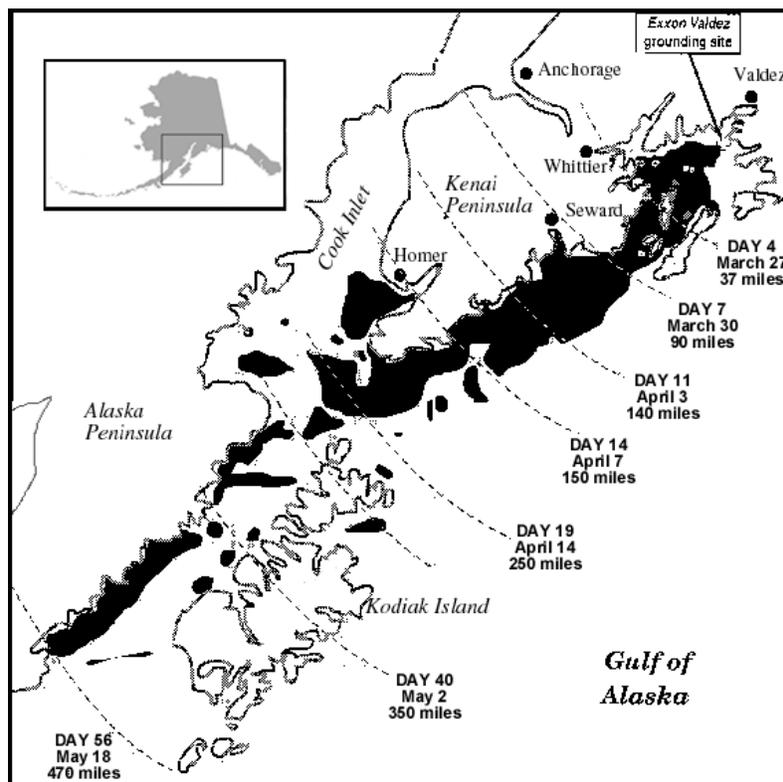
Section 207 of the 1992 Dire Emergency Supplemental Appropriations Act and Transfer for Relief from the Effect of Natural Disasters, for Other Urgent Needs, and for Incremental Costs of Operation Desert Shield/Desert Storm Act of 1992 (P.L. 102-229);

Section 311(f) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1321 (f));

Memorandum of Agreement and Consent Decree (MOA) approved and entered on August 28, 1991, in United States v. State of Alaska, No. A91-081 CV, and the Agreement and Consent Decree (Consent Decree) approved and entered on October 8, 1991, in United States v. Exxon Corporation, et al, No. A91-082 CV and State of Alaska v. Exxon Corporation, et al, No. A91-083 CV; and Plea Agreement in United States v. Exxon Corporation, et al, No. A90-015-1CR & 2CR.

Background

In March of 1989, the tanker Exxon Valdez ran aground on Bligh Reef in Prince William Sound, Alaska, spilling approximately 11 million gallons of North Slope crude oil. Over the next four weeks, the oil moved through southwestern Prince William Sound, into the Kodiak Island archipelago and along the western coast of the Gulf of Alaska, causing extensive injury to natural resources and services (human uses) in the spill impact area.



Immediately following the spill, efforts were initiated to clean the oiled beaches and assess the extent of damage. Federal agencies, the State of Alaska, local governments, native organizations, private citizens, and the Exxon Corporation and its contractors mobilized response efforts. In the water, containment booms were deployed to corral the oil. On the beaches, high-pressure hot-water washing, manual rock washing, and bioremediation techniques were among the methods used to remove oil from the shoreline.

Civil Settlement and EVOS Investment Fund: In October 1991, the U.S. District Court approved a civil settlement for claims by the federal and state governments for recovery of damages resulting from the spill as well as a plea agreement that resolved various criminal charges against Exxon. Exxon agreed to pay \$900 million with annual payments stretched over a 10-year period. The final payment was made in September of 2001. The Consent Decree with Exxon also included a reopener provision valid between September 2002 and September 2006, that provides an opportunity for the Trustee governments to claim up to an additional \$100 million to restore natural resources that suffered a substantial loss, the injury of which could not have been known or anticipated from data available at the time of the 1991 settlement.

Under terms of the civil settlement, certain costs relating to cleanup, damage assessment and litigation were recognized as eligible for reimbursement to the governments. All reimbursements due the Federal agencies have been completed and the money deposited into separate accounts within those agencies for use in accordance with applicable law. This included \$11.7 million to the Department of the Interior, \$20.2 million to the Department of Agriculture, \$17.5 million to the Department of Commerce, \$15.7 million to the Coast Guard and \$4.5 million to the Environmental Protection Agency. Reimbursements due the State of Alaska were satisfied with the last payment, made in September 2001. In addition, the agreement stipulated that Exxon continue to perform cleanup work and was entitled to a credit against future payments.

The civil settlement and Investment Fund is controlled by the provisions of the MOA and the Consent Decree. The governments act as co-trustees in the collection and use of all natural resource damage recoveries as a result of the oil spill. The Trustee Council consists of three State Trustees (AK Dept. of Fish & Game, AK Dept. of Environmental Conservation, AK Dept. of Law) and three Federal Trustees (Interior, Commerce (NOAA), and Agriculture (Forest Service), who jointly oversee the restoration of the injured ecosystem through the use of the civil settlement funds. The MOA provides the rules for spending natural resource damage recoveries. These rules stipulate that the civil settlement and restoration funds must be used ‘.....for the purposes of restoring, replacing, enhancing, or acquiring the equivalent of natural resources injured as a result of the oil spill and the reduced or lost services provided by such resources.....’ Additionally, the MOA requires that all decisions.....shall be made by the unanimous agreement of the Trustees’.

Since complete recovery from the *Exxon Valdez* oil spill may not occur for decades, the Trustee Council recognized the need for settlement funds to support restoration activities beyond the last Exxon payment received in September 2001. After a year and a half of public review and meetings throughout the spill region, in March of 1999, the Trustee Council adopted a resolution concerning long-term restoration needs. The resolution called for the continuation of its dual efforts of marine science and habitat protection as the best long-term approach for restoration of

the oil spill-damaged ecosystem, with special emphasis in the future on monitoring and research. The resolution also led to the creation of the Exxon Valdez Oil Spill (EVOS) Investment Fund. In October 2000, pursuant to Court Order and Public Law 106-113, all civil settlement balances held in the Court Registry Investment System, including any future payments, (net of reimbursements) were placed into an account with the Alaska Department of Revenue, to be invested according to the Trustee Council's approved policies in a mix of domestic and international equities and fixed income. In October of 2002, at the direction of the Trustee Council, the funds in the EVOS Investment Fund were divided into three distinct accounts within the Investment Fund: the Research sub-account; the Habitat sub-account; and the Koniag sub-account.

Table 1		
PAST AND ESTIMATED FUTURE USES		
(Dollars in Millions)		
<u>TOTAL RESTORATION FUNDING (as of 9/30/03)</u>		<u>\$960.9</u>
Exxon Payments	900.8 (a)	
Accrued interest (minus fees)	60.1	
<u>EXPENDITURES</u>		
Reimbursement for Damage Assessment and Response		<u>\$216.4</u>
Governments (including litigation and cleanup)	176.5	
Exxon (for cleanup after 1/1/92)	39.9	
Research, Monitoring and General Restoration		<u>\$177.3</u>
FY 1992 - FY 2003 Work Plans & Special Projects	169.5	
FY 2004 Work Plan & Special Projects (authorized to date)	4.8	
FY 2005 Work Plan & Special Projects (authorized to date)	1.6	
FY 2006 Work Plan & Special Projects (authorized to date)	1.4	
Habitat Protection and Acquisition		<u>\$407.4</u>
Large Parcel and Small Parcel habitat protection programs (past expenditures, outstanding offers, estimated future commitments and parcel evaluation costs - includes funds for Koniag conservation easement and Afognak offers.)		
Public Information, Science Management & Administration		<u>\$32.4</u>
FY 1992 - FY 2003 Work Plans	30.8	
FY 2004 Work Plan (authorized to date)	1.6	
FY 2005 Work Plan (authorized to date)		
<u>INVESTMENT FUND DESIGNATIONS (b)</u>		<u>\$127.4</u>
Gulf Ecosystem Monitoring (GEM)	100.2	
Habitat Protection	27.2	
(a) Reimbursements to governments reduced by \$2.7 million included in FY92 Work Plan.		
(b) Includes investment earnings as of 9/30/03.		

Past and estimated future uses of the civil settlement are outlined in Table 1. Future costs in the table are estimates made for planning purposes. The Trustee Council will base actual funding decisions upon the determination of what is necessary for restoration at that particular time.

Another important aspect of the Consent Decree and MOA is the requirement to provide for meaningful public participation, including establishment of a public advisory group to advise the Trustees. The Trustee Council formed the Public Advisory Group (PAG) in October 1992. In 2002, a new charter was approved, renaming the PAG the Public Advisory Committee. The Committee now consists of twenty members who reflect a balanced representation from the public at large, as well as members from 14 principal interests.

Criminal Plea Agreement and Restitution Fund: As part of the criminal plea agreement, the court fined Exxon \$150 million. The court remitted \$125 million in recognition of Exxon's cooperation in cleaning up the spill and paying private claims. Of the remaining \$25 million, \$12 million went to the North American Wetlands Conservation Fund and \$13 million was paid to the Victims of Crime Fund. Exxon also paid restitution of \$50 million to the United States and \$50 million to the State of Alaska. The \$50 million paid to the United States was deposited in the DOI Natural Resource Damage Assessment and Restoration Fund where available balances earn interest until expended. The Federal Restitution Fund is discussed at the end of the Exxon Valdez section.

Exxon Valdez Program Performance Measures

The overall mission of the Trustee Council is to restore the environment injured by the *Exxon Valdez* oil spill to its pre-spill status as a healthy, productive ecosystem while taking into account the importance of the quality of life and the need for viable opportunities to establish and sustain a reasonable standard of living. The success of the program has been and will continue to be measured against the recovery of individual resources or services. Indicators of recovery include increased numbers of individuals, reproductive success, improved growth and survival rates, and normal age and sex composition of the injured population. However, for some species, actual injury and recovery may never be completely known.

In general, resources and services are deemed to have recovered when they return to conditions that would have existed had the spill not occurred. For resources that were in decline before the spill, recovery may consist of stabilizing the populations at a lower level. For some resources, little is known about their pre-spill status; therefore the nature and extent of injury and recovery are difficult to define. However, full ecological recovery involves restoring the ecosystem as well as restoring the individual resources. The ecosystem will have recovered when the population of flora and fauna are again present at former or pre-spill abundances, healthy and productive; there is a full complement of age classes at the level that would have been present had the spill not occurred; and the public has the same opportunities for the use of resources as they would have had if the oil spill had not occurred.

Based on injuries identified through damage assessment, the Trustee Council developed a List of Injured Resources and Services, which was included in the Restoration Plan, consisting of 28 distinct resources or species, as well as identifying lost or diminished human services. In August of 2002, the Trustee Council adopted an updated List of Injured Resources and Services (See Table 2). Of the 28 species or resources listed, seven are considered to have fully recovered

from the devastating effects of the spill. This represents the addition of five resources to the previous list published in 1999. The Trustee Council declared archeological resources, the black oystercatcher, common murre, pink salmon, and sockeye salmon to be fully recovered, joining the bald eagle and the river otter as the other species to have bounced back completely from the oil spill injuries. Further, the Trustee Council declared in August 2002 that the human services of subsistence, commercial fishing, recreation/tourism and passive use are each recovering from the spill, but have not fully recovered.

Table 2

LIST OF INJURED RESOURCES AND SERVICES
Updated August 2002

INJURED RESOURCES:

Recovered

<u>Archaeological resources</u> *	<u>Common murre</u>	<u>Sockeye salmon</u>
Bald eagle	<u>Pink salmon</u>	
<u>Black oystercatcher</u>	River otter	

* Archaeological resources are not renewable in the same way that biological resources are, but there has been significant progress toward the recovery objective.

Recovering

Clams	Killer whale (AB pod)	Sea Otter
<u>Designated wilderness</u>	Marbled murrelet	Sediments
Intertidal communities	Mussels	

Not Recovered

Common loon	Harbor seal	<u>Pacific herring</u>
Cormorants (3 species)	Harlequin duck	Pigeon guillemot

Recovery Unknown

Cutthroat trout	Kittlitz's murrelet	Subtidal communities
Dolly Varden	Rockfish	

LOST OR REDUCED HUMAN SERVICES:

Recovering

Commercial fishing
 Passive uses
 Recreation and tourism (sport fishing, sport hunting and other recreational uses)
 Subsistence

NOTE: Those resources that have been re-categorized in the August 2002 update are underlined.

2004 Work Plan and Associated Projects: The FY 2004 Exxon Valdez work plan incorporates the first full year of the Gulf Ecosystem Monitoring and Research (GEM) Program, along with other ongoing restoration and research projects. (www.evostc.state.ak.us) The FY 2004 budget totals \$4.76 million, as identified below in Table 3. Additional dollars are released as needed, primarily for approved land acquisition activities. For FY 2005 and beyond, the annual Work Plan will consist of two major components. These are continued investigations of the effects of lingering oil, and a long-term baseline monitoring and research program (GEM Program).

For the first time, the Trustee Council has authorized funding for projects spanning multiple years. Funding in the FY 2004 work plan includes funds for FY 2005 projects in the amount of \$1.58 million and funding in FY 2006 in the amount of \$1.39 million.

Table 3	
FY 2004 EVOS Trustee Council Workplan Budget	
(Dollars in Millions)	
	FY 2004 Authorized Budget
Total, FY 2004 External Projects (Authorized as of November 10, 2003)	\$3.21
Total, FY 2004 Internal Projects (Authorized as of September 3, 2003)	\$1.55
Total, FY 2004 Authorized	\$4.76
Total, FY 2005 Authorized External Projects	\$1.58
Total, FY 2006 Authorized External Projects	\$1.39
Total, FY 2004-2006 Authorized	\$7.73

Gulf of Alaska Ecosystem Monitoring and Research (GEM) Program

The northern Gulf of Alaska provides hundreds of millions of dollars in income from the seafood, recreation, and tourism industries, as well as significant subsistence resources on which many Alaskans depend. A comprehensive understanding of the Gulf of Alaska and the ability to share such information is critical managing human impacts on the gulf's ecosystem and thereby sustaining the human activities that rely on it. To that end, the Exxon Valdez Trustee Council recently began implementation of the GEM Program. Funded with an endowment of approximately \$90 million from the Exxon Valdez settlement, the GEM program is the ultimate legacy of the EVOS Restoration Program. The mission of the GEM program is to sustain a healthy and biologically diverse marine ecosystem in the northern Gulf of Alaska, through a long-term commitment to collect and analyze data and to promote future science-based natural

resource stewardship decision-making. The GEM Program development is scheduled to occur through FY 2007 (see table 4) and to promote future science-based natural resource stewardship decision-making. Table 4 provides the timeline of the GEM Program development.

Table 4 Gulf of Alaska Ecosystem Monitoring and Research (GEM) Program Implementation Schedule		
*	March 1999	Trustee Council decides to endow GEM Program.
*	2000	Draft GEM Program developed.
*	2000 - 2002	Intensive review by public, resource agencies, user groups, scientists, and the National Research Council.
*	Fall 2002	GEM Program officially begins, focusing on synthesis of existing data.
*	2003	Pilot monitoring projects begin.
*	2003 - 2007	Components added until program fully implemented.

At the heart of the GEM Program is a core monitoring program, which is combined with other monitoring efforts conducted by other resource agencies and researchers, seeks to leverage funding, and is aimed at detecting long-term environmental change over time. Foremost in the process is the ability to detect environmental change and distinguish between natural forces and human-caused impacts. The process incorporates interagency cooperation and collaboration, along with significant community involvement to provide accessible and informative data of the Gulf of Alaska ecosystem. Numerous opportunities for public involvement will include the use of citizen volunteers to assist in observations and data gathering, and Alaskan Natives will be consulted for traditional resource knowledge.

The GEM program recognizes that science-based marine resource management, including oil spill response strategies, require an ecosystem approach which takes into consideration multiple complex processes and dynamic relationships. GEM research consists of two principal areas of study, natural changes and potential impacts of human activity. Natural changes research focuses on the effects of climate and oceanography on the natural resources of the gulf. Research into the potential impacts of human activity focuses on the impacts of fishing, tourism, oil spills and other contaminants, and subsistence activities, all in an effort to establish critical baseline data for launching effective oil spill response actions and for understanding and mitigating oil spill damages. Ultimately this information can also be used by resource managers to set reasonable standards to ensure human activities are sustainable.

The GEM Program is organized into the study of four general habitat types, which are watersheds, intertidal and subtidal zones, the Alaska Coastal Current, and offshore habitat. These systems are highly interdependent, thus there will be significant overlap in their respective studies. Intensive studies within each habitat will illuminate patterns that can be compared to

patterns revealed in the other habitats, helping scientists better understand the relationships between these habitats and distinguish the forces that affect productivity in each habitat type.

Watersheds: Watersheds are freshwater and terrestrial habitats from the mountains to the extent of a river's plume. They provide rearing habitat for anadromous fish and seabirds such as murrelets and their rivers are pathways for nutrient exchange between terrestrial and marine ecosystems. Woody debris and vegetation from land are also imported to the marine environment, providing a carbon source and habitat for some species. Rivers also deposit iron, sediments and sometimes pollution and contaminants, all of which have varying effects on the sea life downstream. As rocks are worn down by glaciers and weathering, minerals and silt are carried by rivers to the ocean. Development and clear-cut logging can affect watersheds by removing vegetation and increasing soil erosion. Contaminants found in watersheds may be of local origin, and indeed, most contaminated watersheds are located near towns and cities. However, contaminants are also introduced by atmospheric processes from as far away as Asia. So far, contaminants from far-away sources have been detected only at very low levels.

Intertidal and Subtidal Habitat: These areas of the nearshore habitat are brackish and salt-water coastal habitats which extend offshore to 20 meters in depth. These shallow areas are some of the most productive habitats in the Gulf of Alaska and may be the most threatened. These habitats were the most severely affected by the Exxon Valdez oil spill and many still harbor oil. In general, these areas have abundant invertebrates such as barnacles, crabs and shellfish and juveniles of many species.

Nearshore habitats provide important feeding grounds for larger animals. Terrestrial and aquatic birds, mammals, invertebrates, large fish and even humans depend on food from these rich meeting places of sea and river nutrients. In addition to their importance as feeding grounds, these areas provide nurseries for young marine organisms, unique habitats for specialized animals and are major sources of seaweed production. At the same time, contaminants such as persistent organic pollutants (POPs) may be found in high concentrations in several invertebrate species of the inter- and subtidal zones, providing pathways and potential threats to wildlife and human health. For research purposes, some invertebrate species make excellent biological pollution indicators.

Alaska Coastal Current: Just beyond the subtidal zone up to about 30 miles offshore flows the Alaska Coastal Current. This low-salinity channel extends from the mouth of the Columbia River to the end of the Alaska Peninsula. The current is shaped by the tremendous influx of freshwater from the glaciers and thousands of streams flowing into the gulf. Because it is fed in part by ice melt, the current flows at its maximum in late summer and at its minimum in winter. The Alaska Coastal Current is an ever-changing part of the gulf that plays many important ecological roles. For example, it supplies plankton to Prince William Sound and carries fish and invertebrate eggs from one place to another. However, the same coastal flow that benefits so many species may also distribute marine pollutants as seen in the Exxon Valdez oil spill. A future toxic spill could spread across the entire gulf by this current.

The success of many species depends on the specific shape of the current, which is influenced by climate, season and sea-floor topography. Juvenile pollock are kept in areas rich in food supply by eddies, circular side currents formed as larger currents move around land masses.

Oceanographic features can have a major influence on biological production in the water column, so understanding how they work provides an important piece of the ecological puzzle.

Offshore Habitat: The offshore region refers to the continental shelf break and the Alaska gyre, a large-scale counterclockwise circulation off the coast. Most large animals of the outer continental shelf and deep sea are fish, the most common being flounder, ocean perch, pollock, halibut and cod. Salmon also use this habitat before they return to the watersheds to spawn. One of the most important processes in this part of the gulf is upwelling, which occurs slowly in the middle of the gyre and at a higher rate in the summer over the shelf break. This upward lift pulls rich deep-sea nutrients to the surface where they can be used by photosynthetic phytoplankton, the primary producers of the marine ecosystem. This process is mediated by climate, especially the Pacific Decadal Oscillation, which can slow down or speed up the wind-driven transport (and perhaps the supply) of deep-water nutrients across the shelf to support inshore production. Offshore currents may also carry pollutants originating from as far away as Asia or from deep-ocean dumping and accidents at sea.

Habitat Protection

Habitat protection and acquisition is one of the principal tools of restoration. The long-term protection of threatened habitat, considered essential for the well-being and recovery of species injured by the oil spill, has been and continues to be a key component of the Exxon Valdez restoration program. The Trustee Council has dedicated nearly 60 percent of the available settlement funds – roughly \$407 million – for habitat protection efforts totaling nearly 645,000 acres in the spill region. Habitat protection efforts have focused on the acquisition and protection of key habitats, preventing further damage from extensive development and logging, and allowing the ecosystem to recover. Additional benefits accrue to commercial fishing, subsistence, recreation, and tourism, all of which are dependent upon a healthy productive ecosystem.

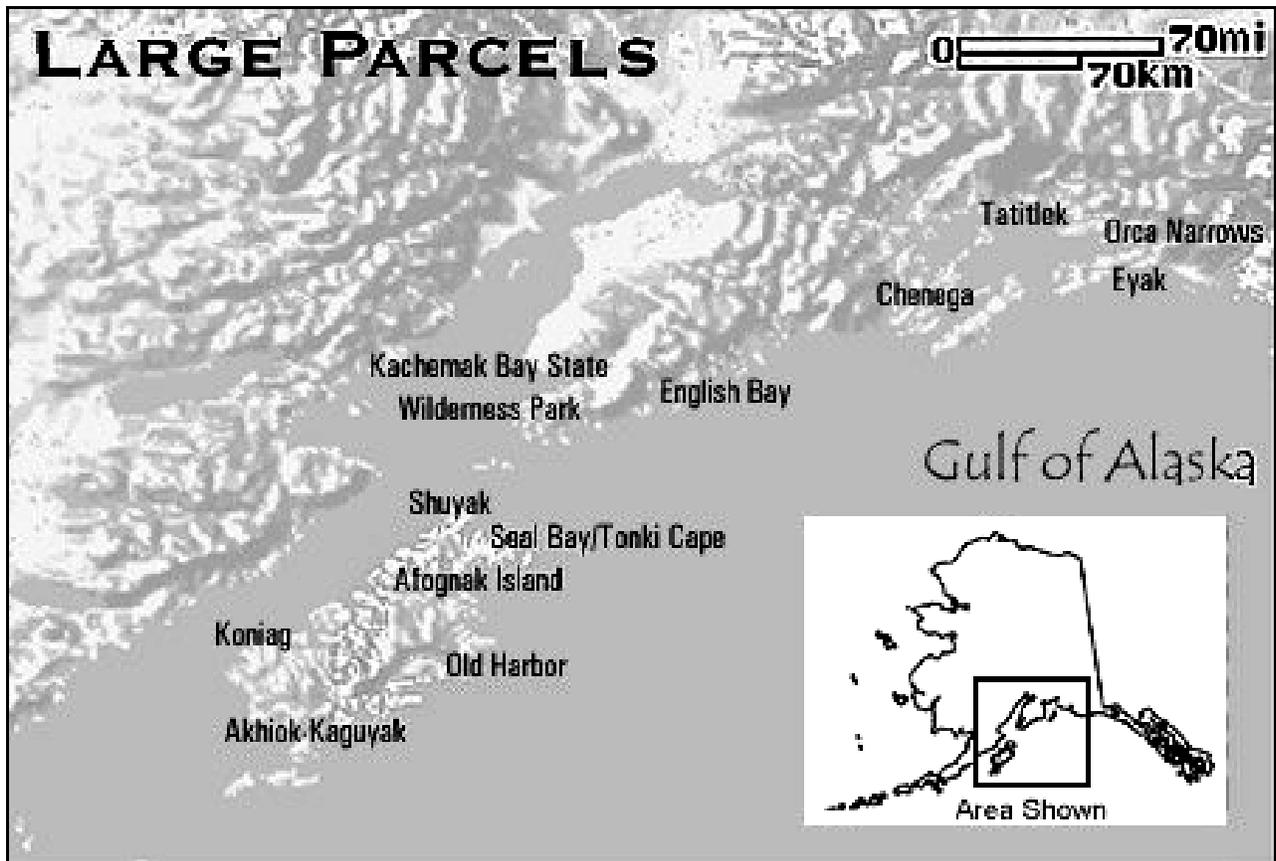
In March 1999, the Council unanimously elected to set aside \$25 million for ongoing small parcel acquisitions. The Trustee Council is considering focusing on small tracts of valuable habitat. The Trustee Council has not yet decided on how to manage these funds. If managed as an endowment, and after inflation proofing, investment earnings from the endowment are expected to be about \$1.25 million per year, or as an alternative, the Trustees could elect to spend the \$25 million principal. In either case, the acquisition program will focus primarily on small tracts of valuable habitat

The Exxon Valdez habitat protection program was split into two programs based on the size of the land purchases: Large Parcel (generally in excess of 1,000 acres); and Small Parcels (less than 1,000 acres).

Large Parcel Program

The large parcel acquisitions are completed for the exception of the Koniag easement. Most large parcels acquired by the Trustee Council were owned by Native corporations. The Large Parcel Program worked only with willing sellers to craft protection agreements that provide for the highest of benefits to the resources, Native Alaskans and the general public. Lands are protected through a creative mix of fee simple purchases, conservation easements and timber easements. Some agreements also provide for the retention of Alaskan Native shareholder home

sites as an allowed use. Most agreements provide for public access for camping, hunting and fishing, restrict development, and maintain subsistence uses, while protecting injured resources and providing economic benefits to the Native corporations.



The Trustee Council's Large Parcel Program is essentially complete, with over 635,000 acres protected throughout the spill region. Table 5 on the following page reflects those large parcels protected in terms of acreage, coastal miles, and salmon rivers.

Table 5

COMPLETED LARGE PARCEL ACQUISITIONS

<u>Parcel Description</u>	<u>Acreage</u>	<u>Coastal Miles</u>	<u>Salmon Rivers</u>	<u>Total Price</u>	<u>EVOS Trustee Share</u>	<u>Other</u>
Afognak Joint Venture	41,750	99	18	\$74,023,342	\$74,023,342	\$0
Akhiok-Kaguyak, Inc.	115,973	202	39	\$46,000,000	\$36,000,000	\$10,000,000
Chenega	59,520	190	45	\$34,000,000	\$24,000,000	\$10,000,000
English Bay	32,537	123	31	\$15,371,420	\$14,128,074	\$1,243,346
Eyak	75,425	189	80	\$45,129,854	\$45,129,854	\$0
Kachemak Bay State Park	23,800	37	3	\$22,000,000	\$7,500,000	\$14,500,000
Koniag (fee title)	59,674	41	11	\$26,500,000	\$19,500,000	\$7,000,000
Koniag (limited easement) 2/	55,402			\$32,100,000	\$31,950,000	\$150,000
Old Harbor 3/	31,609	183	13	\$14,500,000	\$11,250,000	\$3,250,000
Orca Narrows	2,052		2	\$3,450,000	\$3,450,000	\$0
Seal Bay / Tonki Cape	41,549	112	5	\$39,549,333	\$39,549,333	\$0
Shuyak Island	26,665	31	8	\$42,000,000	\$42,000,000	\$0
Tatitlek	69,814	212	50	\$34,719,461	\$24,719,461	\$10,000,000
Large Parcel Totals	635,770	1,419	305	\$429,343,410	\$373,200,065	\$56,143,345

1/ For Kachemak Bay State Park inholdings, other funding is a State of Alaska contribution of \$7 million from the Exxon plea agreement and \$7.5 million from the civil settlement with the Alyeska Pipeline Service Company. For all other parcels, funding from other sources consists of a Federal contribution from the Exxon plea agreement.

2/ Thus far, the Trustee Council has paid \$2,150,000 from civil settlement funds (along with an additional \$150,000 from other sources (EVOS criminal settlement)). Through July 2012, the Trustee Council will pay an additional \$4,554,504 for the easement. Koniag can then choose whether to accept the remainder of the earmarked funds to sell the land in fee.

3/ As part of the protection package, the Old Harbor Native Corporation agreed to protect an additional 65,000 acres of land on Sitkalidak Island as a private wildlife refuge.

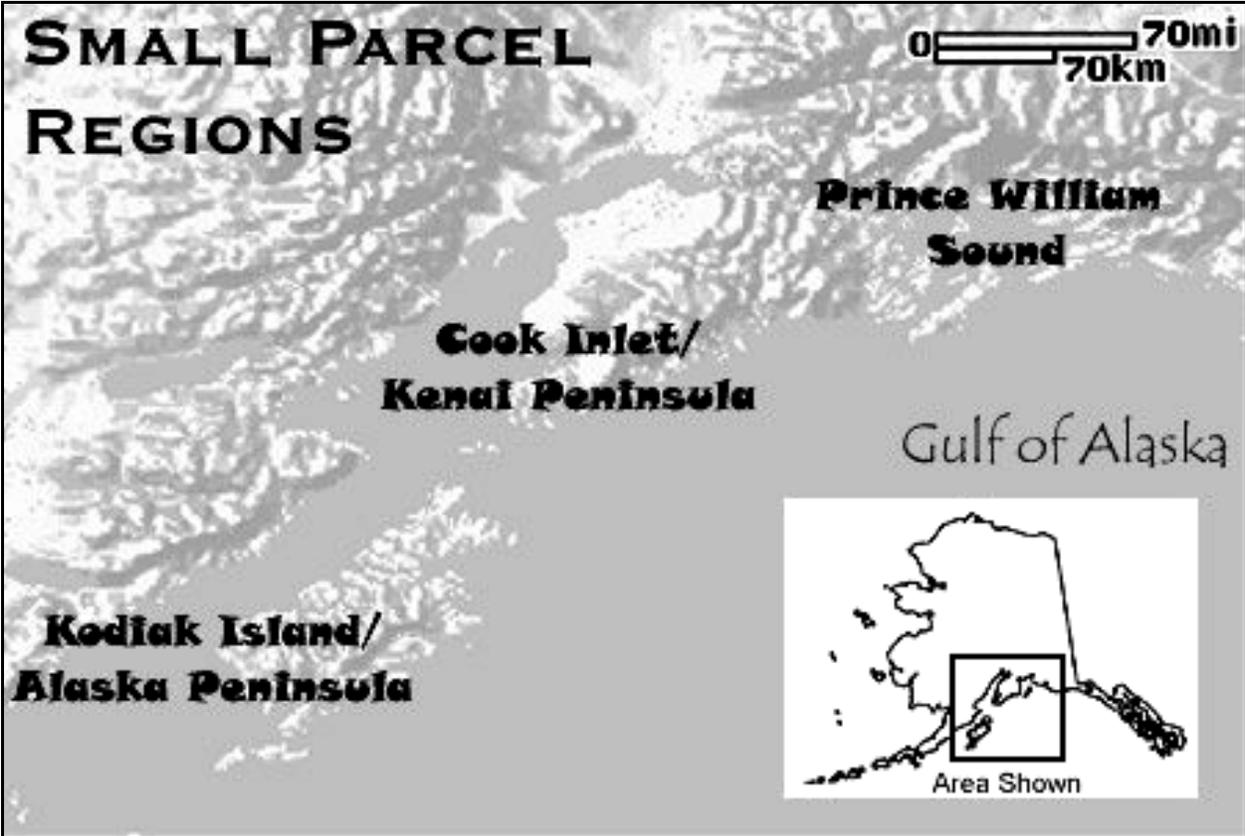
Small Parcel Program - The Small Parcel program focuses on the acquisition and protection of smaller tracts of land, typically 1,000 acres or less. These small parcels are located throughout the spill region – on coves, along important stretches of river, at the mouth of rivers, adjacent to valuable tidelands, and often close to spill-area communities. Such parcels possess unique habitat qualities and strategic restoration values for natural resource recovery, as well as for recreational and subsistence use.

All small parcels are purchased from willing sellers. The nomination period is open-ended and nominations continue to be received and evaluated. As of January 2004, over 9,000 acres have been acquired through the program. The Small Parcel program is broken down into three principal regions: Prince William Sound; Cook Inlet / Kenai Peninsula; and Kodiak Island / Alaska Peninsula. Table 6 shows the current summary of small parcel purchases.

Table 6

COMPLETED SMALL PARCEL ACQUISITIONS

	<u>Total Acres</u>	<u>Value</u>
Prince William Sound	1,391.9	\$3,037,300
Cook Inlet / Kenai Peninsula	5,795.6	\$16,293,100
Kodiak / Alaska Peninsula	2,049.9	\$3,034,050
Totals	9,237.4	\$22,364,450



Protection of the Kenai River has been a primary focus of the small parcel program. The Trustee Council has acquired nearly 5,000 acres along the Kenai River and its tributaries, including the Kasilof, Ninilchik, and Moose Rivers. Some of the Kenai River parcels have been developed to provide appropriate access to the river, including parking, sanitation facilities, and light-penetrating grated walkways to protect the riverbank vegetation from getting trampled during the sport fishing season. This provides access while allowing other public areas to recover from the impacts of overuse. In addition to the funds spent on acquisition, the Trustee Council also contributed nearly \$2 million to restore riverbank habitat that was degraded from trampling. In

the Kodiak Archipelago, the Trustee Council has protected nearly 1,900 acres in small parcels, including 105 acres in Three Saints Bay, one of the most scenic bays in the archipelago, and 56 acres at the mouth of the Ayakulik River, which is second only to the Karluk River for sockeye and chinook salmon production potential.

Koniag Inc.

In December 1995, the federal government entered into an agreement to purchase from Koniag, Inc., surface title to 59,674 acres of prime habitat for bear, salmon, bald eagles, and other species in the Kodiak National Wildlife Refuge. The Council contributed \$19.5 million to this acquisition and the federal government contributed \$7 million from the federal restitution fund, for a total purchase price of \$26.5 million. The 1995 agreement also protected through a non-development easement an additional 55,402 acres along the Karluk and Sturgeon rivers until December 2001, in order to provide the Trustee Council and Koniag Inc. additional time to work out an agreement for the long-term protection of these lands. The Trustee Council paid an additional \$2.0 million for this original non-development easement.

In 2002, Koniag and the Trustee Council closed on an agreement that provided for a ten to twenty-year conservation easement for these lands, with an option for Koniag to sell these lands to the United States. The Trustee Council has placed \$29,800,000 into a special account within the EVOS Investment Fund for such an acquisition. Earnings from the Koniag account are used to make annual payments to Koniag for the conservation easement. In the event Koniag decides to sell these lands to the United States, Koniag will receive the balance of funds remaining in the special account.

Federal Criminal Restitution Fund Program for Restoration

As part of the criminal settlement, Exxon agreed to pay restitution of \$50 million to the United States and \$50 million to the State of Alaska. While the criminal restitution funds are not under the authority of the Trustee Council, the governments have coordinated activities funded through the criminal settlement to maximize restoration benefits. The Trustees continue to use the criminal settlement funds and earned interest within the context of the Restoration Plan and FEIS published by the Trustee Council. Allocations of the Federal Restitution Fund are reflected in Table 7.

Deposit (December 1991)				50,000
Interest Income (as of December 2003)				13,281
Total, Restitution Program				\$63,281
ALLOCATION OF CRIMINAL RESTITUTION FUNDS				
<u>PROJECT PURPOSE:</u>	<u>INTERIOR</u>	<u>USFS</u>	<u>NOAA</u>	
Small Parcel Land Acquisition	9,540	1,571	0	
Large Parcel Land Acquisition	20,500	20,000	0	
Restoration Projects	0	868	0	
Shoreline Monitoring	0	0	3,390	
Oil Spill Research	0	0	6,648	
Projects Approved to Date	\$30,040	\$22,439	\$10,038	\$62,516
Balance Available for Additional Work				\$765

THIS PAGE INTENTIONALLY BLANK

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in thousands of dollars)

Identification code 14-1618-0-1-302	2003 Actual	2004 Estimate	2005 Estimate
Obligations by program activity:			
Direct Program:			
00.01 Damage Assessments	5,520	5,850	6,100
00.02 Prince William Sound Restoration	1,638	1,800	2,000
00.03 Other Restoration	9,653	17,600	20,000
00.04 Program Management	1,649	1,800	1,850
00.91 Total, direct program	18,460	27,050	29,950
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	160,568	169,911	183,625
22.00 New budget authority (gross)	31,242	43,964	41,518
22.10 Resources available from recoveries of prior year obligations	482	200	200
22.21 Unobligated balance transferred to other accounts: Funds Transferred to DOC/NOAA 13-4316)	-3,921 [-3,921]	-3,400 [-3,400]	-3,200 [-3,200]
23.90 Total budgetary resources available for obligation	188,371	210,675	222,143
23.95 New obligations	-18,460	-27,050	-29,950
24.40 Unobligated balance carried forward, end of year:	169,911	183,625	192,193
<u>New budget authority (gross), detail:</u>			
Discretionary:			
40.00 Appropriation (definite)	5,538	5,633	5,818
40.35 Appropriation permanently reduced	-36	-69	
43.00 Appropriation (total)	5,502	5,564	5,818
Mandatory:			
60.25 Appropriation (Special fund, Indefinite)	27,618	39,400	36,400
61.00 Transferred to Other Accounts: (Funds Transferred to USDA/FS 12-9921)	-1,878 [-1,130]	-1,000 [0]	-700 [0]
(Funds Transferred to DOC/NOAA 13-4316)	[-748]	[-1,000]	[-700]
62.50 Appropriation (total mandatory)	25,740	38,400	35,700
70.00 Total new budget authority (gross)	31,242	43,964	41,518

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Program and Financing (in thousands of dollars)**Identification code 14-1618-0-1-302**

	2003 Actual	2004 Estimate	2005 Estimate
<u>Change in unpaid obligations:</u>			
72.40 Obligated balance, start of year	8,419	7,518	4,733
73.10 New obligations	18,460	27,050	29,950
73.20 Total outlays, gross (-)	-18,879	-29,635	-31,452
73.45 Adjustments in unexpired accounts	-482	-200	-200
74.40 Obligated balance, end of year	7,518	4,733	3,031
<u>Outlays, (gross) detail:</u>			
86.90 Outlays from new current authority	3,210	3,895	4,073
86.93 Outlays from current balances	1,376	1,651	1,669
86.97 Outlays from new permanent authority	1,429	4,490	4,910
86.98 Outlays from permanent balances	12,864	19,600	20,800
87.00 Total outlays (gross)	18,879	29,635	31,452
<u>Net budget authority and outlays:</u>			
89.00 Budget authority	31,242	43,964	41,518
90.00 Outlays	18,879	29,635	31,452
<u>Investments in U.S. securities</u>			
92.01 Total investments, start of year			
U.S. securities, par value	145,443	153,273	167,800
92.02 Total investments, end of year			
U.S. securities, par value	153,273	167,800	194,500

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Object classification (in thousands of dollars)**Identification code 14-1618-0-1-302**

	2003 Actual	2004 Estimate	2005 Estimate
<u>DIRECT OBLIGATIONS</u>			
Personnel compensation:			
11.1 Full-time permanent	393	411	491
11.5 Other personnel compensation	0	5	5
11.9 Total personnel compensation	393	416	496
12.1 Civilian personnel benefits	107	118	149
21.0 Travel and transportation of persons	34	40	40
22.0 Transportation of things	0	2	2
23.1 Rental payments to GSA	24	37	40
23.3 Communications, utilities, and miscellaneous charges	1	2	2
24.0 Printing and reproduction	2	3	3
25.2 Other services	1,960	2,750	4,100
25.3 Purchases of goods & services from other govt. accounts	75	100	100
26.0 Supplies and materials	11	5	5
31.0 Equipment	0	5	5
44.0 Refunds	23	5	5
99.9 Subtotal, direct obligations	2,631	3,483	4,947
<u>ALLOCATION ACCOUNTS</u>			
Personnel compensation:			
11.1 Full-time permanent	3,352	3,480	3,495
11.3 Other than full-time permanent	656	889	909
11.5 Other personnel compensation	94	100	104
11.8 Special personnel services payments	0	0	0
11.9 Total personnel compensation	4,102	4,469	4,508
12.1 Civilian personnel benefits	1,038	1,520	1,652
21.0 Travel and transportation of persons	486	568	580
22.0 Transportation of things	22	25	25
23.1 Rental payments to GSA	140	160	165
23.2 Rental payments to others	9	15	15
23.3 Communications, utilities, and miscellaneous charges	39	50	50
24.0 Printing and reproduction	5	10	10
25.1 Advisory and assistance services	123	200	250
25.2 Other services	2,444	6,100	6,843
25.3 Purchases of goods & services from other govt. accounts	609	2,400	2,400
25.4 Operation & maintenance of facilities	4	25	80
25.5 Research & development contracts	4	25	150
25.7 Operation & maintenance of equipment	13	40	50
26.0 Supplies and materials	156	500	500
31.0 Equipment	291	300	325
32.0 Land and structures	2,750	2,300	2,300
41.0 Grants	3,595	4,860	5,100
99.0 Subtotal obligations - Allocation Accounts	15,829	23,567	25,003
99.9 Total obligations	18,460	27,050	29,950

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
RESTORATION FUND**

Obligation Summary (in thousands of dollars)

Identification code 14-1618-0-1-302	2003 Actual	2004 Estimate	2005 Estimate
Obligations are distributed as follows:			
Natural Resource Damage Assessment Program Office	2,609	3,483	4,947
Bureau of Indian Affairs	782	1,250	1,050
Bureau of Land Management	276	370	390
Bureau of Reclamation	60	100	110
Fish and Wildlife Service	12,071	17,800	19,923
National Park Service	1,197	2,200	1,800
Office of the Secretary	615	640	680
U.S. Geological Survey	850	1,207	1,050
99.9 Total obligations	18,460	27,050	29,950

Personnel Summary

Identification code 14-1618-0-1-302	2003 Actual	2004 Estimate	2005 Estimate
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	4	4	6
Average Salary per FTE	\$88,762	\$96,229	\$82,646

Summary of Requirements by Object Class

(Dollar amounts in thousands)

Appropriation: Natural Resource Damage Assessment and Restoration Fund

<u>Object Class</u>	<u>2004 Estimate</u>		<u>Uncontrollable and Related Changes</u>		<u>Program Changes</u>		<u>2005 Request</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
<u>11 Personnel compensation</u>								
11.1 Full-time permanent	4	3,700	0	+27	+2	80	6	3,807
11.3 Other than full-time permanent		1,200				0		1,200
11.5 Other personnel compensation		150				0		150
Total personnel compensation	4	5,050	0	+27	+2	+80	6	5,157
12.1 Civilian personnel benefits		1,700		+26		+20		1,746
21.0 Travel and transportation of persons		600				+10		610
22.0 Transportation of things		50				0		50
23.1 Rental payments to GSA		200		+3		0		203
23.2 Rental payments to others		50				0		50
23.3 Communications, utilities and miscellaneous charges		100				0		100
24.0 Printing and reproduction		120				0		120
25.1 Advisory and assistance services		300				0		300
25.2 Other services		13,994				+363		14,357
25.3 Purchases of goods and services from Government accounts		5,500		+21		-1,000		4,521
25.4 Operations and maintenance of facilities		200				0		200
25.5 Research and development contracts		500				0		500
25.7 Operations and maintenance of equipment		300				0		300
26.0 Supplies and materials		700				2		702
31.0 Equipment		300				2		302
32.0 Land and structures		8,000				-2,000		6,000
41.0 Grants, subsidies, and contributions		6,300				0		6,300
Total Appropriation (net budgetary authority)	4	43,964	0	+77	+2	-2,523	6	41,518
[Allocations to Other DOI Bureaus]	[58]		[0]		[0]		[58]	

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

Analysis of Budgetary Resources

(Dollars in Thousands)

Appropriation: Natural Resource Damage Assessment and Restoration Fund

(14-1618-0-1-302)

Activity	2003 Actual Budget Authority	2004 Estimate	2005 Request	Dec (-) Inc. (+) From 2004
<u>DAMAGE ASSESSMENTS</u>				
Budget Authority Available for Obligation				
Current Appropriation	3,901	3,885	3,899	+14
Receipts	4,982	3,600	3,800	+200
Transfer of Receipts to Other Agencies	0	0	0	0
Unobligated Balance Start of Year	8,385	11,985	13,720	+1,735
Transfers of Unobligated Balances to Other Agencies	0	0	0	0
Recovery of Prior Year Obligations	237	100	100	0
Total BR Available - DAMAGE ASSESSMENTS	17,505	19,570	21,519	+1,949
Less Obligations	5,520	5,850	6,100	+250
Unobligated Balance End of Year	11,985	13,720	15,419	+1,699
(FTE)	(0)	(0)	(0)	(0)
[FTE Allocated to Other Bureaus]	[24]	[24]	[24]	[0]
<u>PRINCE WILLIAM SOUND RESTORATION</u>				
Budget Authority Available for Obligation				
Current Appropriation	0	0	0	0
Receipts	2,481	2,600	1,500	-1,100
Transfer of Receipts to Other Agencies	-1,833	-1,000	-700	+300
Unobligated Balance Start of Year	9,088	7,281	6,831	-450
Transfers of Unobligated Balances to Other Agencies	-817	-250	0	+250
Recovery of Prior Year Obligations	0	0	0	0
Total BR Available - PRINCE WILLIAM SOUND	8,919	8,631	7,631	-1,000
Less Obligations	1,638	1,800	2,000	200
Unobligated Balance End of Year	7,281	6,831	5,631	-1,200
(FTE)	(0)	(0)	(0)	(0)
[FTE Allocated to Other Bureaus]	[10]	[10]	[8]	[-2]
<u>OTHER RESTORATION</u>				
Budget Authority Available for Obligation				
Current Appropriation	248	247	371	+124
Receipts	19,999	32,950	30,800	-2,150
Transfer of Receipts to Other Agencies	-45	0	0	0
Unobligated Balance Start of Year	142,828	150,518	163,065	+12,547
Transfers of Unobligated Balances to Other Agencies	-3,104	-3,150	-3,200	-50
Recovery of Prior Year Obligations	245	100	100	0
Total BR Available - OTHER RESTORATION	160,171	180,665	191,136	10,471
Less Obligations	9,653	17,600	20,000	+2,400
Unobligated Balance End of Year	150,518	163,065	171,136	8,071
(FTE - Direct)	(0)	(0)	(2)	(+2)
[FTE Allocated to Other Bureaus]	[12]	[12]	[14]	[+2]

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

Analysis of Budgetary Resources Natural Resource Damage Assessment and Restoration Fund (Dollars in Thousands)

Appropriation: Natural Resource Damage Assessment and Restoration Fund

(14-1618-0-1-302)

Activity	2003 Actual Budget Authority	2004 Estimate	2005 Request	Dec (-) Inc. (+) From 2004
<u>PROGRAM MANAGEMENT</u>				
Budget Authority Available for Obligation				
Current Appropriation	1,353	1,432	1,548	+116
Receipts	156	250	300	+50
Transfer of Receipts to Other Agencies	0	0	0	0
Unobligated Balance Start of Year	267	127	9	-118
Transfers of Unobligated Balances to Other Agencies	0	0	0	0
Recovery of Prior Year Obligations	0	0	0	0
Total BR Available - PROGRAM MANAGEMENT	1,776	1,809	1,857	+48
Less Obligations	1,649	1,800	1,850	+50
Unobligated Balance End of Year	127	9	7	-2
(FTE - Direct)	(4)	(4)	(4)	(0)
[FTE Allocated to Other Bureaus]	[10]	[10]	[10]	[0]
<u>ACCOUNT TOTAL</u>				
Budget Authority Available for Obligation				
Current Appropriation	5,502	5,564	5,818	+254
Receipts	27,618	39,400	36,400	-3,000
Transfer of Receipts to Other Agencies	-1,878	-1,000	-700	+300
Unobligated Balance Start of Year	160,568	169,911	183,625	+13,714
Transfers of Unobligated Balances to Other Agencies	-3,921	-3,400	-3,200	200
Recovery of Prior Year Obligations	482	200	200	0
Total BR Available - NRDAR	188,371	210,675	222,143	11,468
Less Obligations	18,460	27,050	29,950	+2,900
Unobligated Balance End of Year	169,911	183,625	192,193	8,568
(FTE - Direct)	(4)	(4)	(6)	(0)
[FTE Allocated to Other Bureaus]	[56]	[56]	[58]	[+2]

**DEPARTMENT OF THE INTERIOR
NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION
EMPLOYEE COUNT BY GRADE**

	2003 Actual	2004 Estimate	2005 Estimate
Executive Level V.....	0	0	0
Subtotal.....	0	0	0
ES-6	0	0	0
ES-5	0	0	0
ES-4	0	0	0
ES-3	0	0	0
ES-2	0	0	0
ES-1	0	0	0
Subtotal.....	0	0	0
GS-15	1	1	1
GS-14	3	3	3
GS-13	0	0	1
GS-12	0	0	1
GS-11	0	0	0
GS-10	0	0	0
GS-9	0	0	0
GS-8	0	0	0
GS-7	0	0	0
GS-6	0	0	0
GS-5	0	0	0
GS-4	0	0	0
GS-3	0	0	0
Subtotal (GS/GM).....	4	4	6
Total employment (actual/projected) at end of fiscal year.....	4	4	6