



# BUDGET JUSTIFICATIONS

The United States  
Department of the Interior  
and Performance Information  
Fiscal Year 2021

## NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.



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## DEPARTMENT OF THE INTERIOR



# Restoration Program

Natural Resource Damage Assessment & Restoration Program

## Fiscal Year 2021 Budget Justifications

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# NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION PROGRAM

## **GENERAL STATEMENT**

### **FY 2021 Budget Request:**

The Natural Resource Damage Assessment and Restoration Program's (Restoration Program) Fiscal Year 2021 request for current appropriations is \$4,709,000. The request advances restoration of natural resources and assessment of impaired resources to increase on-the-ground restoration as defined by restoration plans. The Restoration Program will utilize requested funds to effectively deliver habitat restoration with co-trustees using the growing balance of funds recovered under settlements.

Over the last seven years, the Natural Resource Damage Assessment and Restoration Fund (Restoration Fund) has received an average of more than \$295 million annually in restoration settlements and advanced or reimbursed funds for cooperative damage assessments. Fiscal Year 2020 receipts are estimated to exceed \$600 million, with the increase largely due to the finalized settlement for natural resource impacts arising from the Deepwater Horizon oil spill in the Gulf of Mexico. Between 2017 and 2031, the Deepwater Horizon settlement will deliver up to \$8.8 billion to the Restoration Fund in annual installments. Additionally, a number of long-running damage assessment cases have recently settled, others are pending court approvals, and still others are in settlement negotiations. The influx of settlement funds is expected to continue as additional cases settle. While this means additional funding is deposited in the Restoration Fund, the vast majority of these restoration settlements are shared jointly with other Federal, State, and Tribal co-trustees, and the use of settlement funds must be approved by the trustees for a given case. While the Department of the Interior (Department) can rarely take unilateral action to use the funds, the Department is actively exploring how to expedite the delivery of funds for on-the-ground restoration projects.

Within this budget request, the Restoration Program is committed to maximizing benefits for both impaired natural resources and for the American public's use and enjoyment of these resources. With more than \$1.8 billion dollars in settlement funds deposited into the Restoration Fund that are awaiting use, and additional settlements and payments on the horizon, moving forward deliberately and strategically to plan and implement restoration actions at dozens of sites nationwide will produce significant ecological and economic benefits.

**Total 2021 Budget Request**  
*(Dollars in Thousands)*

Budget Authority	2019 Actual	2020 Enacted	2021 Budget Request
Current Mandatory	7,767	7,767	4,709
	566,873	618,000	618,000
<b>TOTAL FTE</b>	<b>574,640</b>	<b>625,767</b>	<b>622,709</b>

Fiscal Year 2021 fixed costs of \$136,000 are fully funded within the request.

The FY 2021 request also includes an estimate of \$618 million in permanent funds from negotiated legal settlement agreements and cooperative damage assessments with responsible parties to be applied to the restoration of impaired resources by the co-trustees for each case.

## **Executive Summary**

The mission of the Restoration Program is to restore natural resources damaged as a result of hazardous substance releases into the environment. In partnership with other affected State, Tribal, and Federal trustee agencies, the Restoration Program conducts damage assessments that provide the basis for determining the restoration needs that address the public's loss and use of these resources. Cooperation with its co-trustees and partners, and where possible, with the responsible parties, is an important component of meeting the Restoration Program's core mission.

The Restoration Program is designed to cooperate with co-trustees to restore impaired natural resources that the Department manages. Damages are assessed and appropriate restoration projects identified to inform negotiated settlements or, in rare cases, litigation with potentially responsible parties. Recoveries, via in cash or in-kind services, from the potentially responsible parties finance or implement resource restoration, pursuant to a publicly reviewed restoration plan.

The Office of Restoration and Damage Assessment (Program Office) manages the confluence of the technical, ecological, biological, legal, and economic disciplines and coordinates the efforts of six Departmental bureaus and three offices to accomplish this mission. The Restoration Program has a nationwide presence encompassing nearly the full span of natural and cultural resources for which the Secretary of the Interior has trust responsibility. Each bureau has its unique natural resource trusteeship and brings its expertise to bear on relevant sites. The Restoration Program is an integrated Departmental program, drawing upon the interdisciplinary strengths of its bureaus and offices, while eliminating or minimizing redundant bureaucratic and administrative operations and expenses.



The **Bureau of Indian Affairs** is responsible for the administration and management of nearly 56 million surface acres and 59 million acres of sub-surface minerals estates held in trust by the United States for American Indians, Indian Tribes, and Alaska Natives, and provides assistance to 574 federally-recognized Tribal governments to help protect water, natural resources and land rights.



The **Bureau of Land Management** administers 245 million acres of Federal land located primarily in 12 Western States, including Alaska, characterized by grasslands, forests, deserts, coastline, and arctic tundra and an additional 700 million acres of onshore Federal mineral estate. The BLM sustains the ecological and economic health, diversity, and productivity of these public lands for the use and enjoyment of present and future generations.



Working in 17 States west of the Mississippi River, the **Bureau of Reclamation** manages 491 dams and 338 reservoirs covering more than 10 million acres associated with irrigation projects 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 over 95 million acres of land and waters within 568 National Wildlife Refuges, nearly 760 million acres of marine monuments, and 38 wetland management districts for the continuing benefit of the American people, providing primary trusteeship for migratory birds and over 2,000 threatened and endangered species.



The **National Park Service** preserves unimpaired the natural and cultural resources and values of the 85 million acres of land across the 419 units of the national park system and conserves the scenery and the natural and historic objects and the wildlife of these special places for the enjoyment, education, and inspiration of current and future generations.



In addition to the five bureaus with primary trust resource management activities, the **U.S. Geological Survey (USGS)** conducts scientific research in ecosystems, climate and land use change, environmental health and water resources, and provides access to natural resource science to support effective decision making on how to best restore injured natural resources impacted by the release of oil or hazardous substances in the environment.

The Office of the Secretary and the Office of the Solicitor also play key roles in making the Restoration Program a fully integrated Departmental program. The Office of the Solicitor provides legal advice at both the program policy level and in all individual cases. In the Office of the Secretary, the Office of Policy Analysis provides economic analytical expertise to the Restoration Program on both national policy and individual case management, and the Office of Environmental Policy and Compliance provides a link to response and remedial activities associated with oil spills or chemical releases.

The Department, through the Restoration Program and its bureaus, conducts every damage assessment and restoration case in partnership with any co-trustees at various levels of government (Federal, State, and Tribal), 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 collaboration 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-government organizations and industry.

The budget request supports the President's Management Agenda Workforce Cross-Agency Priority Goal to support strategic recognition throughout the year, address workforce challenges, and recognize high performing employees and those employees with talent critical to mission achievement. The budget assumes agency pay for performance efforts increase one percentage point for non-Senior Executive Service (SES)/Senior Leader (SL)/Scientific or Professional (ST) salary spending.

The 2021 budget supports needed reforms to strengthen the culture of ethics within Interior. Over the last two years, Interior has taken several steps to enhance the emphasis on ethics in the Department, including increasing the number of ethics officers and vigilance regarding the obligation of the Department's leaders and employees to hold themselves and their colleagues accountable for ethical conduct. Ethics is a top priority in all decision making and operations.

This past summer, Secretary Bernhardt advanced his commitment to transform Interior's ethics program by signing Secretarial Order 3375, which restructures the ethics program by unifying disparate bureau ethics programs into a centrally-managed office under the Solicitor. The Order streamlines the reporting structure for ethics personnel, establishes the Departmental Ethics Office, and clarifies roles and responsibilities for the Department's employees. The FY 2021 budget implements this reorganization to restructure the ethics program by transferring bureau ethics funding and FTEs to the Departmental Ethics Office in the Office of the Solicitor budget.

## **The Economic Benefits of Restoration**

Federal investments in resource restoration protect Federal trusts, ensure public health and safety, and preserve and enhance ecosystem services. These investments also generate business activity and create jobs. With support from the Restoration Program and BLM, the USGS Fort Collins Science Center has estimated the economic impacts of 21 specific restoration projects. In the February 2016 report entitled, *Estimating the Economic Impacts of Ecosystem Restoration: Methods and Case Studies*, USGS found that ecosystem restoration projects provide meaningful economic contributions to local economies and to

broader regional and national economies, and estimate that between 13 and 32 job-years<sup>1</sup> and between \$2.2 million and \$3.4 million in total economic output<sup>2</sup> are contributed to the national economy per million dollars invested in ecosystem restoration. These results demonstrate how investments in resource restoration support jobs, small businesses, and rural communities.

Case studies highlight restoration efforts and reveal benefits from restoration projects and the positive effects on communities. For example, settlement funds from the Upper Arkansas River / California Gulch Superfund Site in Colorado were used to improve in-stream aquatic habitat and increase brown trout populations in the Arkansas River. This restoration project was designed to address bank erosion, altered river channel morphology, and degraded in-stream trout habitat. The Arkansas River In-Stream Habitat Restoration project began in 2010 and continued into 2014 and had a total cost of more than \$3.2 million during this period. The USGS report concluded that restoration activities at the site supported an estimated total of 49.5 job-years and over \$9.1 million in economic output.

#### Arkansas River In-Stream Habitat Restoration

Total project expenditures: \$3,244,000

National economic impacts:

- ✓ 49.5 job-years
- ✓ \$3,119,000 in labor income
- ✓ \$4,600,000 in value added
- ✓ \$9,060,000 in economic output

Local project expenditures: \$1,763,000

Local economic impacts:

- ✓ 25.0 job-years
- ✓ \$1,268,000 in labor income
- ✓ \$1,667,000 in value added
- ✓ \$3,261,000 in economic output

## Performance Summary

All activities within the Restoration Program (Damage Assessment, Restoration Support, In-Land Oil Spill Preparedness, and Program Management) focus on and support resource restoration. These restoration activities contribute primarily towards two Strategic Plan Mission Areas: **Conserving Our Land and Water** and **Expanding Outdoor Recreation and Access**. The Restoration Program's contributions towards supporting these initiatives is varied and involves cooperation with numerous Federal, State, and Tribal partnerships employed to acquire and protect high-value habitats and resources; improve stewardship of Federal, State, and Tribal lands; and to support conservation, protection, access, and increased recreational opportunities.

In addition, many of the Program's damage assessment and restoration activities undertaken in concert with Tribal co-trustees contribute towards the Strategic Plan Mission Area of **Fulfilling Our Trust and Insular Responsibilities** by working government to government as equal partners to assess and restore impaired Tribal natural resources.

<sup>1</sup> Job-years measure the total number of annualized full and part-time jobs accumulated over the duration of a restoration project.

<sup>2</sup> Economic output measures the total value of the production of goods and services supported by project expenditures, and is equal to the sum of all intermediate sales (i.e., business to business sales) and final demand (i.e., sales to consumers).

## **2021 Strategic Objective Performance**

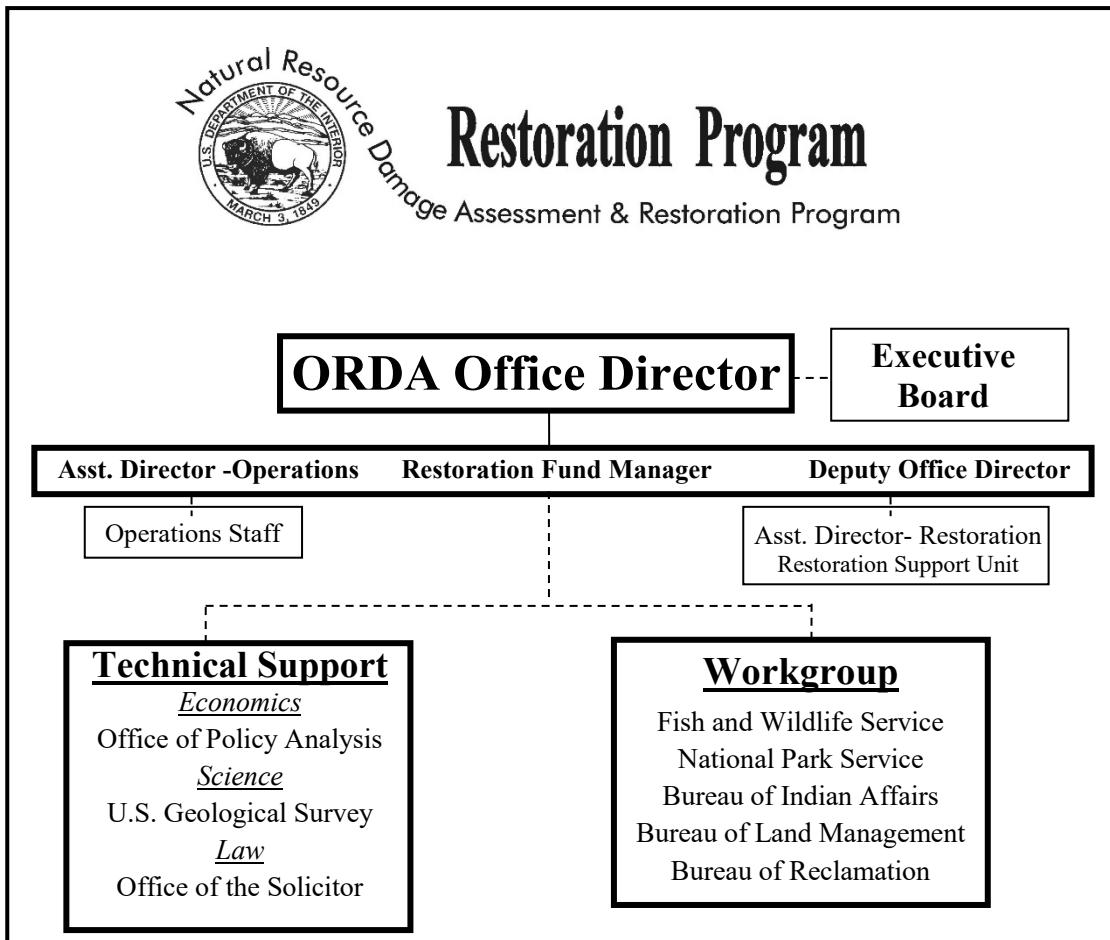
In 2021, the Restoration Program expects to see continued high levels of restoration being achieved, notably through performance indicators of acres restored and stream/shoreline miles restored. A secondary measure tracking the movement of settlement funds transferred out of the Restoration Fund to bureaus and co-trustees is also actively monitored, with the expectation that sustained large sums will be transferred out to bureaus and other Federal, State, and Tribal co-trustee partners to implement on-the-ground restoration actions in 2021.

Restoration accomplishments measured in acres and stream/shoreline miles restored often fluctuate from year-to-year as the result of a complex process in which numerous trustee councils across the Nation are identifying specific opportunities for restoration, consistent with approved restoration plans. However, such accomplishments generally cannot be readily anticipated on a site-specific basis. Year-to-year variability in performance is the norm, and any given year's totals are often greatly influenced by factors outside of the Department's control, such as finding cooperative project partners, Federal or State permitting issues, or the level of co-trustee's participation.

Cost information, including unit costs, in the context of performance management within the Restoration Program is highly variable, due to the wide variability of restoration solutions that might be implemented, as well as the multi-year implementation time-frames they often entail. Every ecological restoration project implemented is unique, from the impairment being addressed, to the ecological, biological, and engineering aspects involved, and the number and roles carried out by other co-trustees, partners, and responsible parties. For example, a dam removal project and attendant restoration actions performed by the responsible party (in-kind restoration) may achieve the trustees' desired ecological outcomes, but the responsible party performing the work is under no obligation to disclose the costs involved. The wide range of potential, but generally not comparable, restoration actions is best exemplified in restoration success stories.

The bureaus will continue to collect, validate, and verify the performance data before reporting to the Program. In addition, the Program Office will continue to internally track the progress of cases from start to finish using measures such as number of restoration plans drafted, finalized, and in stages of implementation; number of restoration projects completed; number of cooperative assessments conducted with industry; and funding leveraged through restoration partnerships. Lastly, the Program anticipates useful information to be generated by three ongoing monitoring studies. These studies are evaluating restoration techniques in a context that addresses the quality and productivity of habitat restoration projects rather than simply quantifying acres and stream/shoreline miles restored.

The Department's Office of Restoration and Damage Assessment (ORDA) manages the Restoration Program. This includes the Director, Restoration Program and administrative personnel, field-based restoration support specialists, and legal and policy specialists. In addition to the ORDA, the organization chart below also identifies key cooperating bureaus and offices that comprise the Restoration Program.



The Restoration Executive Board is responsible for overseeing policy direction and approving allocation of resources. The Board includes a 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 Workgroup is comprised of bureau restoration specialists that ensure integration across the Department and the use of best practices for damage assessment and restoration.

**Summary of Requirements Table**  
Dollars in Thousands (\$000)

**Appropriation: Natural Resource Damage Assessment and Restoration**

Activity	Amount	FTE	Total Amount	2020 Enacted Costs	Internal Transfers (+/-)	Program Changes (+/-)	2021 Budget Request		Change from 2020 Enacted Level (+/-)	
							FTE	Amount	FTE	Amount
	2019 Actual	2020 Enacted								
<b>APPROPRIATED FUNDS</b>										
Damage Assessments	2,000	0	2,000	0	0	0	0	-500	0	1,500
Restoration Support	2,667	8	2,667	+65	0	-1	-812	7	1,920	-1
Inland Oil Spill Preparedness	1,000	1	1,000	0	0	-1	-800	0	200	-1
Program Management	2,100	8	2,100	+71	0	-4	-1,082	4	1,089	-4
<b>Total, Appropriation</b>	<b>7,767</b>	<b>17</b>	<b>7,767</b>	<b>+136</b>	<b>0</b>	<b>-6</b>	<b>-3,194</b>	<b>11</b>	<b>4,709</b>	<b>-6</b>
<b>PERMANENT FUNDS (RECEIPTS)</b>										
Damage Assessments	4,986	12,000	0	0	0	0	-3,000	9,000	9,000	-3,000
Restoration										
Prince William Sound Restoration	10,245	6,000	0	0	0	0	0	6,000	6,000	0
Other Restoration	555,255	608,876	0	0	0	0	+2,552	611,428	+2,552	611,428
Program Management	87	100	0	0	0	0	0	100	100	0
<b>Subtotal, Gross Receipts</b>	<b>570,573</b>	<b>626,976</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-448</b>	<b>626,528</b>	<b>-448</b>	<b>-448</b>	<b>-448</b>
Sequestration Reduction	-496	-472	0	0	0	+472	0	+472	+472	+472
Previously Unavailable Budget Authority	+387	+496	0	0	0	-24	+472	+472	+472	+472
Transfers Out	-3,591	-9,000	0	0	0	0	-9,000	-9,000	-9,000	-9,000
<b>TOTAL, Net Receipts</b>	<b>566,873</b>	<b>618,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>618,000</b>	<b>0</b>	<b>618,000</b>	<b>0</b>

## **Natural Resource Damage Assessment and Restoration Program**

### **Justification of Fixed Costs and Internal Realignments**

*(Dollars In Thousands)*

<b>Fixed Cost Changes and Projections</b>	<b>2020 Change</b>	<b>2020 to 2021 Change</b>
<b>Change in Number of Paid Days</b>	+22	-20
This column reflects changes in pay associated with the change in the number of paid days (-1 day) between FY 2020 and FY 2021, from 2,096 hours in FY 2020 to 2,088 hours in FY 2021.		
<b>Pay Raise</b>	-	+81
The President's Budget for 2021 includes one quarter of a 3.1% pay raise and three quarters of a planned 1% pay raise for 2021.		
<b>Employer Share of Federal Employee Retirement System</b>	+12	+49
The change reflects the directed 1.3% increase in the employer contribution to the Federal Employee Retirement System.		
<b>Departmental Working Capital Fund</b>	-67	+17
The change reflects the final 2021 Central Bill approved by the Working Capital Fund Consortium.		
<b>Rental Payments</b>	-1	+9
The amounts reflect changes in the costs payable to General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; which in the case of GSA space, are paid to Department of Homeland Security (DHS). 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.		

## **Natural Resource Damage Assessment and Restoration Program**

### **Appropriations Language**

#### **NATURAL RESOURCE DAMAGE ASSESSMENT FUND**

To conduct natural resource damage assessment, restoration activities, and onshore oil spill preparedness by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), and 54 U.S.C. 100721 et seq., [\$7,767,000] \$4,709,000, to remain available until expended. *(Further Consolidated Appropriations Act, 2020)*

### **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, (33 U.S.C. 2701 et seq.)*** 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.

***System Unit Resource Protection Act (54 U.S.C. 100721-25).*** 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).*** Provides permanent authorization for 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.

## ACTIVITY: DAMAGE ASSESSMENT

<b>Appropriation: Natural Resource Damage Assessment</b>	<b>2019 Actual</b>	<b>2020 Enacted</b>	<b>Fixed Costs</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2021 Request</b>
<b>Activity:</b> <b>Damage Assessment</b>	<b>\$000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>-500</b>
	<b>FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

In 2021, the Restoration Program will continue to utilize a mix of discretionary appropriations, recovered assessment costs from recent settlements and/or returned funds from completed assessments, as well as advanced funds from cooperative responsible parties to meet its damage assessment workload requirements. Funding will support ongoing damage assessment efforts at approximately 18 sites and maintain the Restoration Program's damage assessment capability. The Program estimates 57 additional ongoing cases will proceed towards settlement as well, using previously allocated funds from prior years, with potentially up to 16 cases settling in 2021.

### **Justification of 2021 Program Change:**

**Damage Assessment (-\$500,000 / 0 FTE)** – The requested funding will allow the Program to maintain the current caseload of damage assessment projects and its focus on the highest priority sites.

### **Activity Overview:**

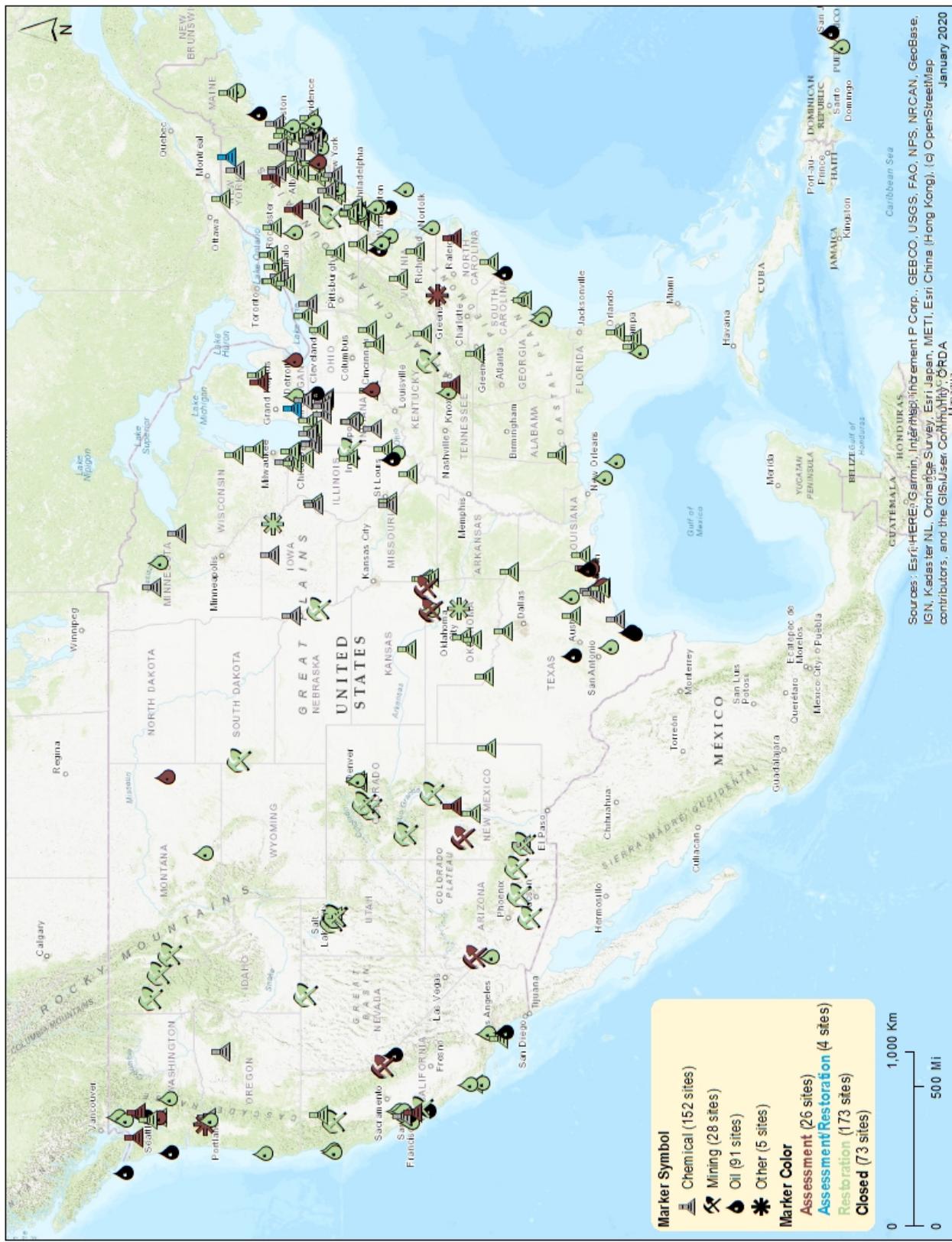
Damage assessment activities are an important first step taken by the Department on the path to achieving restoration of natural resources impaired through the release of hazardous substances. The source, effect, and magnitude of the impairment must first be identified, investigated, and thoroughly understood if the subsequent restoration is to be effective. Through the damage assessment process, physical and scientific evidence of the impact to natural resources is documented, which then forms the basis for a claim for appropriate compensation (or in-kind services) to compensate the American public for the loss and use of impaired Federal resources.

Damage assessment cases are conducted by one or more of the resource management bureaus within the Department: Fish and Wildlife Service, National Park Service, Bureau of Land Management, Bureau of Indian Affairs, and Bureau of Reclamation. Economic analytical support is provided by the Office of Policy Analysis; scientific and technical analysis and support is provided by the U.S. Geological Survey; and, the Office of the Solicitor provides legal counsel. In nearly all cases, the Department's assessment activities are carried out in partnership with other Federal, State, and/or Tribal co-trustees. These partnerships have proven advantageous, as cooperation, consultation, and collaboration amongst the trustees facilitates addressing resource management concerns 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 and expenses. Responsible parties also benefit, as they are able to address all trustee concerns in a single, unified case.

The map on the next page shows a snapshot of the Department's damage assessment and restoration cases from the Damage Assessment and Restoration Tracking System (DARTS)

[https://www.cerc.usgs.gov/orda\\_docs/Map.html](https://www.cerc.usgs.gov/orda_docs/Map.html). This map shows the current status of the case (assessment, restoration, assessment/restoration, closed), as well as the type of incident (oil, mining, chemical or other). This system currently shows more than 275 of the Department's NRDAR cases for which there is a publicly available document.



## ACTIVITY: RESTORATION SUPPORT

<b>Appropriation: Natural Resource Damage Assessment</b>	<b>2019 Actual</b>	<b>2020 Enacted</b>	<b>Fixed Costs</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2021 Request</b>
<b>Activity:</b> <b>Restoration Support \$000</b>	<b>2,575</b>	<b>2,667</b>	<b>+65</b>	<b>0</b>	<b>-812</b>	<b>1,920</b>
<b>FTE</b>	<b>6</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>7</b>

Under the Restoration Support activity, the Program advances restoration efforts and the expenditure of settlement funds to develop and implement restoration plans. The Program will continue to focus its activities in support of trust resource restoration and will see increased restoration outputs and outcomes through existing restoration support staff and resources and increased settlement funds. This will become especially apparent with the continued receipt of Deepwater Horizon oil spill settlement funds and the trustee council's abilities to begin implementation of larger on-the-ground restoration projects. While it is difficult to predict with certainty, the Program anticipates the Fiscal Year 2021 performance targets will include the cumulative restoration of 46,573 acres and 144 stream or shoreline miles. The Department and its co-trustees will accomplish these goals through the use of settlement funds or in-kind services received in settlement of damage assessment claims with responsible parties.

### **Justification of 2021 Program Changes:**

**Restoration Support (-\$812,000 / -1 FTE)** - During FY 2021, the Program will focus on planning, implementation, oversight and monitoring of restoration actions, and support resource restoration in addition to the Administration's goals to create jobs and more access to outdoor recreation opportunities.

### **Activity Overview:**

The restoration of natural resources is the sole reason for the existence of the Department's Restoration Program. Every action the Restoration Program undertakes during the damage assessment phase is done with the end goal of restoration in mind. Upon the successful conclusion of a damage assessment and achieving settlement with the responsible parties, bureaus work in partnership with other affected State, Federal, Tribal and/or foreign co-trustees to use settlement funds to identify, plan, and implement restoration activities. Under the Restoration Support activity, the Program continues its coordinated effort to focus greater attention on restoration activities and to expedite the application of settlement funds to develop and implement restoration plans. Upon request, the Program's Restoration Support Unit (RSU) provides support to the Department's case managers and teams and assistance with meeting various legal and regulatory compliance requirements, identifying possible partnering opportunities, and drafting appropriate documents. The RSU's involvement in assessments, for example, allows restoration options to be identified which increases the efficiency and reduces restoration timelines. In addition, the

Program continues to work with the USGS to develop monitoring protocols to better measure the success and impacts of restoration efforts.

In meeting the statutory and regulatory requirements of Comprehensive Environmental Response, Compensation and Liability Act and the Oil Pollution Act to restore, replace, or acquire the equivalent of impaired natural resources, these restoration activities encompass a wide variety of projects that support the Department's mission of conserving natural and cultural resources. By working with the co-trustees on restoration activities, the Program is able to focus ecological restoration actions in a way that also supports Departmental Strategic Plan goals. The Restoration Program estimates that \$2.3 billion in settlement funds will be available in FY 2020 for restoration projects approved by co-trustees.

In addition to settlement funds deposited into the Restoration Fund, the Department is 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 actions (in-kind restoration), with trustee agencies providing oversight to ensure compliance with the terms of the settlement and adherence to the approved and restoration plan. Once fully implemented, the restoration actions are then subject to long-term monitoring by the trustees to ensure they have been effective and met the goals of the restoration plans.

## **Deepwater Horizon / Gulf of Mexico Oil Spill Settlement**

The April 2010 *Deepwater Horizon* (DWH) oil spill in the Gulf of Mexico resulted in the largest offshore oil spill in U.S. history. On April 4, 2016, the U.S. District Court for the Eastern District of Louisiana approved a historic \$20.8 billion settlement agreement with BP Exploration and Production (BPXP), the party found to be primarily responsible for the oil spill. Per the terms of the settlement, BPXP will pay the trustees up to \$8.8 billion for restoration to address natural resource damages. These funds will be used to implement the trustees' *Programmatic Damage Assessment and Restoration Plan and Programmatic Environmental Impact Statement*. BPXP has made payment for the first three years, totaling \$1.2 billion to the Restoration Fund, with future annual payments of \$490 million scheduled to continue through 2031.

## **RESTORING RESOURCES**

Following the release of a hazardous substance, the natural resource trustees evaluate the impairments to trust resources and develop a restoration plan that outlines the restoration projects to be conducted. The goal of the restoration projects is to restore resources or services lost as a result of the spill or release to baseline condition, or the level that would exist had the spill or release not occurred. For example, if an oil spill impacts beach dune habitat that is used by shorebirds for nesting, then the restoration projects are designed to restore or create similar dune or beach habitat. Similarly, if the removal of a hazardous chemical or substance from a wetland results in the loss of that wetland, the resulting restoration projects would be designed to restore the same wetland at its current location to baseline condition, or to replace or acquire equivalent similar habitat. Lastly, many incidents also negatively impact the public's use and enjoyment of the lands and resources, and thus, many restoration plans include projects to compensate the public for that loss, often by way of increased access to the restored resources and providing for enhanced recreational opportunities.

The following are examples of on-the-ground restoration that support recreational benefits that have been accomplished by the Department's bureaus and the co-trustees.

### **Restoring Access to Outdoor Recreation:**

Often, resource injuries result in diminished public use or access to the natural resources, leading the Department and our co-trustees to design and implement projects to restore those public uses. There are several ways for the public to get involved with natural resource restoration. The program relies on input from the public during the restoration planning phase through public meetings and forums. Before implementation, restoration plans must undergo public review to ensure broad support for the actions to restore the injured resources.

Additionally, individual and group volunteers are encouraged to participate in many restoration implementation activities. Because each project is localized, the best way to find out more information about getting involved is to contact a local trustee bureau office or a local trustee partner. The Department's trustee bureaus include the National Park Service, the Bureau of Reclamation, the Fish and Wildlife Service, the Bureau of Indian Affairs, and the Bureau of Land Management. A few recent recreation successes have included sites like the M/V New Carissa Oil Spill in Oregon, DuPont-Waynesboro hazardous substance release in Virginia, Housatonic River PCBs Site in Connecticut, and the Deepwater Horizon Oil Spill in the Gulf of Mexico.

## M/V New Carissa, Oregon

As you drive along the Oregon Coast, there's plenty of beauty to catch your eye. The ocean, beaches and offshore rocks, and even the occasional whale sighting. Now there's something new to add to the list, 66 award-winning interpretive panels at 24 sites along 320 miles of the Oregon coastline. The panels designed by Interpretive Graphics, in close coordination with Oregon State Parks and Oregon Islands National Wildlife Refuges, earned first place in the Outdoor Exhibits category of the National Association for Interpretation's 2019 Interpretive Media Awards.



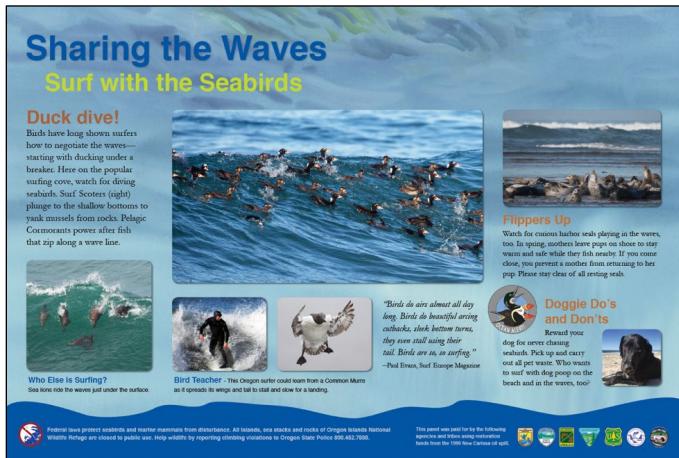
The panels are intended to mitigate the effects of the New Carissa oil spill on marine wildlife by providing educational and regulatory information on how the actions of visitors can help protect seabirds, marine mammals, and intertidal creatures.



The panels came about after years of restoration work from the February 1999, M/V New Carissa oil spill. The 640-foot freighter ran aground north of Coos Bay during a major winter storm, where it began leaking oil, and seven days later broke in half, releasing an estimated 25,000-140,000 gallons of fuel into the marine environment. An estimated 2,465 seabirds were killed or injured by the spill, including the threatened western snowy plover and marbled murrelet. Public recreation trips were also lost or diminished due to the spill.

The Fish and Wildlife Service and five other natural resource trustees (Bureau of Land Management, U.S. Forest Service, Oregon Department of Fish and Wildlife, Confederated Tribes of Siletz Indians and Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians) reached a \$28 million settlement with the ship's owner and the U.S. Coast Guard for restoring species harmed by the spill. As a part of the settlement, \$440,000 in funding was secured to create a public education project aimed at protecting

seabirds and marine mammals along the entire coast of Oregon. Most of the panels are installed on Oregon State Parks land and are uniquely designed for its specific location on the coast. The panels are intended to educate the public about the challenges facing marine wildlife, and how the public can help.



The Interpretive Graphics team aimed to awaken visitors to the sparkling life and wonder of the protected islands and sea stacks along one of the most productive ocean edges on Earth. The project involved considerable research, scientific accuracy, lively interpretive writing, photo research, and creative and accurate illustrations. The size of the panels varied widely, depending on the setting and included a number of profile or contour cuts to attract visitors.

## DuPont Waynesboro, Virginia

The former DuPont-Waynesboro Facility (Facility) is located on approximately 177 acres on the eastern shore of the South River in Waynesboro, Virginia. From 1929 to 1950, mercury was used in the manufacturing processes, and mercury releases impacted soil and groundwater locally on-site, and storm sewers transported mercury from the facility to the South River. The mercury release was discovered in the 1970s, and a fish consumption ban, later an advisory, was enacted for the South River and South Fork Shenandoah Rivers (approximately 129 miles total). Mercury continues to be transported and recirculated downstream via surface water, sediments, and floodplain soils to the South, South Fork, and Shenandoah Rivers, and as a result, a variety of natural resources have been exposed to Facility-related mercury.

In July 2017, the Trustees, Department of the Interior, represented by the Fish and Wildlife Service and the Commonwealth of Virginia, received a settlement of \$42 million to address natural resource damages and to implement restoration projects related to the impacted resources in the SFSR watershed. Proposed restoration includes projects to improve water quality and fish habitat, such as agricultural and urban best management practices; freshwater mussel propagation and restoration; neotropical migratory songbird full life cycle restoration; land protection, property acquisition, and recreational and wildlife enhancements; recreational fishing improvement projects; and renovation of a Virginia fish hatchery.

On October 7, 2019 Virginia celebrated the 100<sup>th</sup> anniversary of Virginia's state forest system by dedicating First Mountain State Forest, the 25<sup>th</sup> and newest of the Virginia state forests. First Mountain State Forest is in Rockingham County, within the southern portion of the Massanutten range, and encompasses 573 acres of hardwood, pines and open fields. The new state forest will provide protection to tributaries of the South Fork Shenandoah River, with over 21,700 feet of frontage on at least eight perennial and intermittent streams. Funding from the DuPont NRDAR settlement (over \$1.4 million), as well as contributions from the Dofflemyer family (the former owners) and the Virginia Department of

Forestry, made the 573-acre acquisition possible. This project will provide water quality improvements, protection of habitat and restoration of forest, and recreational access and opportunities.



The State Forester of Virginia and other Virginia state officials hosted the celebration and dedication of the new First Mountain State Forest.  
Photo: USFWS

### **Housatonic River PCBs Site, Connecticut**

The Housatonic River flows 150 miles from its headwaters in western Massachusetts through Connecticut, emptying into Long Island Sound. From 1932 to 1977, the General Electric Company (GE) operated a 254-acre facility in Pittsfield, MA, manufacturing and servicing electrical transformers containing PCBs. Years of PCB and industrial chemical use with improper disposal practices led to extensive contamination into the Housatonic River environment, contaminating the river's water, sediment, riverbanks, and floodplain, as well as various species of fish and wildlife.

In the final NRDAR settlement, GE agreed to pay \$15 million for natural resource restoration projects, split evenly between the States of Massachusetts and Connecticut. The settlement funds are controlled under Federal law by natural resource trustees who in this case included the Department of the Interior, represented by the Fish and Wildlife Service; the Department of Commerce, represented by the National Oceanic and Atmospheric Administration; the Commonwealth of Massachusetts, represented by the Massachusetts Executive Office of Energy and Environmental Affairs; and the State of Connecticut, represented by the Connecticut Department of Energy and Environmental Protection.

In August of 2017, the Housatonic Valley Association (HVA), in partnership with the Town of New Milford, CT, constructed a car-top boat launch on the Still River at Ericson Rd. This project was completed under a cooperative agreement with the Fish and Wildlife Service to improve recreational

opportunities as part of the Housatonic River NRDAR settlement.

While the new launch did provide access to the Still River, paddlers were not able to paddle downriver to the confluence with the Housatonic River due to the presence of the falls at Harrybrooke Park. In October 2019, with additional Housatonic River NRDAR settlement dollars, the HVA, in cooperation with the Town and other

collaborators, rectified this navigational impediment by constructing two additional launches above and below the falls, as well as a portage trail between them. With the completion of this latest project, paddlers will now be able to travel from the Still River to the mainstem Housatonic with considerably less effort. There is now a continuous water trail between the City of Danbury and the Housatonic River, which is a major achievement for all of the partners who have been working toward this goal for over 20 years.



New Milford, CT city officials and Housatonic Valley Association (HVA) officials are joined by canoeing and kayaking enthusiasts for a ceremonial ribbon cutting launching the new water trail.

Photo: USFWS

## ACTIVITY: INLAND OIL SPILL PREPAREDNESS

<b>Appropriation: Natural Resource Damage Assessment</b>	<b>2019 Actual</b>	<b>2020 Enacted</b>	<b>Fixed Costs</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2021 Request</b>
<b>Activity:</b> <b>Inland Oil Spill Preparedness</b>	<b>\$000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>-800</b>
	<b>FTE</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-1</b>

The Inland Oil Spill Preparedness program began in FY 2015 primarily to update training materials that had not been revised since 2005 and to train field-based response personnel. The Department's inland oil spill training course has been updated, and through FY 2019 more than 900 individuals have completed the updated training, including approximately 450 Department staff, 40 staff from other Federal agencies, and over 100 staff from state/local government and tribes. The program will hold three additional training sessions in 2020. With a trained cadre of field staff in place, fewer training classes are needed each year and the focus of this program will shift to updating regional and local spill contingency plans and participation in regional and national oil spill drills and exercises to ensure readiness.

### **Justification of 2021 Program Changes:**

**Inland Oil Spill Preparedness (-\$800,000 / -1 FTE)** - The Program will use the requested funds to focus on regional and local oil spill contingency planning and to continue training on inland oil spill response.

### **Activity Overview:**

The Department's objective for the inland oil spill preparedness program is to improve overall preparedness and the ability to respond to inland oil spills in ways that better protect the Nation's natural and cultural resources, historic properties, and public lands. When an inland oil spill occurs, personnel from the Department's bureaus are often among the first responders, along with State and local responders and the Environmental Protection Agency (EPA) on-scene coordinators. Pre-incident preparation requires the Department to participate in contingency planning, including contingency response teams efforts, area contingency plans, and inland oil spill drills.

Through the National Response System, EPA leads the Federal response for inland oil spills, and the U.S. Coast Guard leads the Federal response for spills occurring offshore and in navigable waterways, including major rivers, lakes and bays. The Department is a primary Federal natural resource trustee with land and natural resources that could potentially be impacted by inland oil spills, including those managed by the DOI bureaus, and the trust lands and resources of Native American Tribes.

## ACTIVITY: PROGRAM MANAGEMENT

<b>Appropriation: Natural Resource Damage Assessment</b>	<b>2019 Actual</b>	<b>2020 Enacted</b>	<b>Fixed Costs</b>	<b>Internal Transfers (+/-)</b>	<b>Program Changes (+/-)</b>	<b>2021 Request</b>
<b>Activity:</b> <b>Program Management \$000</b>	<b>2,192</b>	<b>2,100</b>	<b>+71</b>	<b>0</b>	<b>-1,082</b>	<b>1,089</b>
<b>FTE</b>	<b>7</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>4</b>

### **Summary of 2021 Program Changes for Program Management**

<b>Request Component</b>	<b>(\$000)</b>	<b>FTE</b>
• Program Management Activities	-1,077	-4
• DOI Ethics Transfer	-5	0

Program Management efforts and activities focus on providing the tools, processes, and resources necessary for the Department's bureaus to achieve the efficient restoration of natural resources. In 2021, Program Management funds will support ongoing efforts to improve efficiency and effectiveness and reduce costs.

### **Justification of 2021 Program Changes:**

**Program Management Activities (-\$1,082,000 / -4 FTE)** - The request includes funding for staff within the Office of Restoration and Damage Assessment to manage settlement funds, maintain support systems, and promote restoration. The request also transfers funds to the Office of the Solicitor to support the Departmental Ethics Office.

### **Activity Overview:**

The Program Management activity provides the Office of Restoration and Damage Assessment the necessary resources to provide the strategic vision, direction, management, and coordination of inter-Departmental activities required to carry out the Restoration Program. It manages the intersection and complex interdisciplinary 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 and resolving issues that raise significant management or policy implications; manages the Restoration Fund; develops the Department's policies and regulations for conducting and managing damage assessment and restoration cases; responds to Departmental, Office of Management and Budget, and Congressional inquiries; and ensures coordination among Federal, State, and Tribal governments. Program Management funds also cover fixed costs such as office rent, the Departmental Working Capital Fund, and other similar charges.

The Restoration Program Office continues to utilize and refine its information technology tools including the Damage Assessment and Restoration Tracking System (DARTS), an online database system used to house case information, case proposals, and related documents. The Restoration Program Office will enhance existing tools to improve effectiveness using integrated systems to track damage assessments, restoration actions, and outcomes. When fully functional, this online system will support case management from initiation, through damage assessment, claim closeout, restoration implementation and monitoring, and case closure. Users will be able to enter information about individual restoration projects and have them displayed on their cases pages for the public to view. The system will also produce functional reports for use by stakeholders; high-quality, accessible, relevant data; and provide a single, efficient location for data and documents.

The Restoration Program Office will continue outreach and coordination with Federal, State, and Tribal co-trustees to address issues of mutual interest among the different levels of government. These efforts will focus on improving assessment and restoration techniques and sharing best practices to increase efficiency and effectiveness while reducing costs.

## **Section 403 Compliance**

Section 403 of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94) directs the disclosure of overhead, administrative, and other types of administrative support 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.

For 2021, the Restoration Program's costs related to overhead, administration, and central/regional operations are addressed in three components of the budget, all under the heading of External Administrative Costs. These costs include amounts paid to bureaus, the Department, or other Executive Branch agencies to support bureau, Departmental or Government-wide administrative costs.

<b>External Administrative Costs</b>			
(Dollars in Thousands)			
	<b>FY 2019 Actual</b>	<b>FY 2020 Enacted</b>	<b>FY 2021 Request</b>
<b><u>DOI Working Capital Fund</u></b>			
Centralized Billings	94	69	86
Fee for Services	44	45	45
Direct Billings (Financial Mgmt)	<u>151</u>	<u>126</u>	<u>130</u>
Total, DOI Working Capital Fund	289	240	261
<b><u>DOI Office of the Chief Information Officer</u></b>			
Software and Support	5	5	5
<b><u>Fish and Wildlife Service</u></b>			
FWS User-Pay Cost Share	138	142	146
<b><u>Bureau of Safety and Environmental Enforcement</u></b>			
Personnel / HR Services	61	65	70
<b><u>U.S. Geological Survey</u></b>			
Common Services Support	104	100	100
<b><u>U.S. Department of Justice</u></b>			
DOJ Sec. 108 3% Offset Authority	75	100	100

Charges related to the Departmental Working Capital Fund (WCF) shown in the table reflect the Restoration Program's share of centralized Departmental expenses for items and expenses such as telecommunications, information technology management, security, mailroom services, costs associated with audited financial statements, and other WCF charges.

Charges related to the Office of the Chief Information Officer are for software licenses and related services.

The Fish and Wildlife Service (FWS) levies its User-Pay Cost Share charges on damage assessment and restoration funds provided to the Service from the Restoration Program. Funds collected by FWS are used to offset a range of administrative costs. For 2020, User-Pay Cost Share charges to the Restoration Program are estimated to be \$142,000. The amount identified for 2020 is an estimate based on 2019 workload, and the actual amounts to be billed may be more or less, depending upon actual workload, the timing of settlements, and the ability to recover such costs through settlement negotiations. Indirect costs are not assessed on previous settlements or in cases where FWS indirect costs were not included or recovered in the final settlement. For 2021, FWS currently estimates those charges payable by the DOI Restoration Program to be comparable to the 2020 charges.

Charges related to the Bureau of Safety and Environmental Enforcement identified in the preceding table reflect the Restoration Program's share of personnel management and human resources (HR) services

provided to the Office of the Secretary, covering items such as HR policies and procedures, staffing and delegated examining, employee classification, Senior Executive Service appointments, personnel security, reorganizations, and reductions-in-force.

The U.S. Geological Survey (USGS) applies a seven percent administrative overhead charge to all funds provided to USGS, primarily to the Columbia Environmental Research Center. Funds collected by the Center are used to offset common client administrative and facility expenses. Funds provided to USGS from the Exxon Valdez Oil Spill settlement include a nine percent general administrative assessment.

The Department of Justice applies a three percent offset to some, but not all, civil litigation debt collections made on behalf of the Restoration Program. Authority for these offsets can be found in Section 108 of the Commerce, Justice, and State Appropriations Act for Fiscal Year 1994 (P.L. 103-121, 107 Stat 1164 (1994). The offset is applicable to collections where the Department is the sole recipient of the funds. Funds subject to the offset authority are credited to the DOJ Working Capital Fund. The DOJ offset authority does not apply to restoration settlements jointly shared with non-Federal co-trustees that are collected by DOJ and deposited into the Restoration Fund.

The Program Management activity, which includes Restoration Program administrative functions, funds management, and central and regional operations, does not assess or levy any internal program overhead charges, deductions, or holdbacks to support program operations.

## **Good Accounting Obligation in Government Act Report**

The Good Accounting Obligation in Government Act (GAO-IG Act, P.L. 115-414) enacted January 3, 2019, requires that Agencies report the status of each open audit recommendation issued more than one year prior to the submission of the Agency's annual budget justification to Congress. The Act requires Agencies to include the current target completion date, implementation status, and any discrepancies on closure determinations.

The Department of the Interior leadership takes audit follow-up very seriously and considers our external auditors, to include the Government Accountability Office (GAO) and Office of the Inspector General, valued partners in not only improving the Department's management and compliance obligations but also enhancing its programmatic and administrative operations. As stewards of taxpayer resources, the Department applies cost-benefit analysis and enterprise risk management principles in recommendation implementation decisions.

The Department's GAO-IG Act Report is available at the following link: <https://www.doi.gov/cj>

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

	<b>2019 Actual</b>	<b>2020 Enacted</b>	<b>2021 Request</b>
SES.....	1	1	1
GS/GM-15 .....	1	1	1
GS/GM-14 .....	3	3	3
GS/GM-13 .....	6	6	3
GS-12 .....	1	2	0
GS-11 .....	2	1	2
GS-9 .....	0	1	1
GS-7 .....	1	2	0
Subtotal (GS/GM).....	14	16	10
Total employment (actual / projected) at end of fiscal year.....	15	17	11