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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2002

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 2217

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2002, AND FOR OTHER PURPOSES

Department of Agriculture
Department of Energy
Department of the Interior
Nondepartmental Witnesses

Printed for the use of the Committee on Appropriations

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2002

WEDNESDAY, MARCH 28, 2001

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:03 a.m., in room SD–116, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.

Present: Senators Burns and Campbell.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

STATEMENT OF THOMAS N. SLONAKER, SPECIAL TRUSTEE FOR AMERICAN INDIANS

ACCOMPANIED BY:

M. SHARON BLACKWELL, DEPUTY COMMISSIONER OF INDIAN AFFAIRS, BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

ROBERT J. LAMB, DEPUTY ASSISTANT SECRETARY FOR BUDGET AND FINANCE, DEPARTMENT OF THE INTERIOR

OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. I will call the committee to order. Sorry for a little bit of a delay this morning due to voting. We appreciate everybody being here as we look into this trust reform.

We want to especially welcome you and your staff and the Special Trustee for the American Indians. Mr. Slonaker, congratulations on being asked by the administration to continue your service there. We appreciate that very much because we know it is a tremendously big job, and I know there are times when there are fits of frustration. Nonetheless, we believe that it is very, very important, and we want to thank you for that.

Over the past several years, many stories have been written about the Federal Government's mismanagement of Indian trust funds. It is embarrassing to note, however, that this is not a new revelation. For example, I have a copy of the front page of a Philadelphia paper dated July 6, 1876. Also in the same paper that announced the Battle of the Little Bighorn, it was very critical of the United States' ability to handle Indian trust monies. I find that very interesting, as I read those stories.

There is also another story in here about something that we are dealing with today, if you pick up the same paper, the events of the Old World, the Turks and the Serbians. It seems like most of our problems continue to plague us through the years.

"The Secretary of the Interior has prepared a statement of what appears to be gross irregularities in the investment of the Indian trust fund by officers of the Government." That was the report out of the newspaper in 1876. So, needless to say, the mismanagement of the Indian trust funds has been occurring for over 100 years.

But after all these years, the subcommittee is hopeful that the Federal Government is finally getting on the right track with the trust responsibilities it holds on behalf of the American Indians and the Alaskan Natives. It is certainly my interest that the Federal Government fulfills its trust responsibilities to the Native Americans in my own State of Montana, as well as fulfills its responsibilities to the American Indians and the Alaska Natives throughout the entire Nation.

During recent years, the subcommittee has shown its support by significantly ramping up appropriations to support the trust management reform. In fact, since fiscal year 1996, the subcommittee appropriated close to a total of $450 million for trust reform. Also, the fact that the subcommittee has decided to hold a hearing specifically on trust reform this year indicates the subcommittee's continued interest and concern in this critical area.

However, I should note that although we want to continue to be supportive, we cannot do this without hearing confident responses from you that the Government is moving in the right direction and that positive results will be seen in the near future. The subcommittee gets concerned and uneasy when we see flare-ups in the press such as a recent article covering the release of an employee's memo criticizing a significant part of the Department's trust reform plans.

So, today we are interested in hearing about any progress that you have made in trust reform, as well as any stumbling blocks that you have come across. The day might not be long enough to hear all of those, but nonetheless, we may have to search them out.

Also, in addition to having a frank discussion today, I encourage you to continue to update us throughout the appropriations cycle to ensure that we find ways together to effectively and efficiently provide funding for most of the critical areas of trust reform.

It was encouraging that Secretary Norton specifically noted in her confirmation hearing that one of her top priorities was the special responsibilities that we have to the American Indians. The subcommittee looks forward to helping the Secretary keep that trust reform a top priority for the Federal Government.

Now joining me this morning is my good friend from Colorado, Senator Ben Nighthorse Campbell.

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Well, thanks for convening this hearing, Mr. Chairman. Over the past 10 years, the Committee on Indian Affairs, which I Chair, has had dozens of hearings on many elements of Indian trust reform, land consolidation, computer and accounting

systems, probate backlogs and a number of other things, lease approvals, and the list goes on.

The results of those many hearings, very frankly, have been somewhat disturbing for me because I am not sure that we are making all that much progress on this issue.

With the past leadership of this committee of Chairman Gorton and the commitment of your leadership, Senator Burns, and others on the Senate Appropriations Committee, the continued effort of the Indian Affairs Committee, along with our colleagues in the House of Representatives, I think we have made every reasonable effort to commit sufficient resources to solving the problem. You mentioned the figure $400 million. Well, since 1997, as near as I can figure, we have spent about $200 million on all aspects of Indian trust reform, and there does not seem to be any end in sight.

But clearly I think Congress is running out of two things. One is patience and the other may be money. We might not be able to find the money that we need to continually fund the effort that we need to. There are going to be some limits on our funding this year, as you know.

When Congress enacted the Indian Trust Management Reform Act of 1994, it gave the Special Trustee and his staff the authority to have access to every record, every report, every document, and every employee within the Department of the Interior. Under the law, as I understand it, there was no chain of command when it comes to communicating with the Special Trustee about the problems with efforts to improve the trust management. I am very concerned that there seems to be a suppression of the bad news, or there has been in the past. And I am not sure we are going to fix the problem under the current system.

I know the Special Trustee. In fact, I presided over his hearing when he was appointed. I am convinced that Mr. Slonaker not only did not cause the problem, but brings a great deal of expertise and background into trying to resolve the issue.

Nevertheless, a little more than a month ago, the Federal Appeals Court in Washington, D.C. affirmed the lower court decision that the United States has failed and is continuing to fail in its obligations to Indian beneficiaries. In the words of that court, in fact, they said efforts to reform that trust situation were "a day late and a dollar short."

You alluded to the memo from Dom Nessi, the BIA's Chief Information Officer, of February 23 to Mr. Slonaker. I tell you that was not a very comforting letter because basically in that letter Mr. Nessi calls it a system that is imploding and says that there is pretty much a total lack of trust between the different sub-agencies that are supposed to deal with this.

But clearly making more excuses is not going to solve the problem of the Indian people that deserve that money, earn that money, own that money, and still find it locked up so they cannot access it.

But for better or worse, Mr. Slonaker, you are judged by the progress we make, and I wish you well and look forward to working with you. But you are in a very tough job and are under the gun, just as we are, to find some solutions in a hurry so this thing does not go on for another decade or 2.

Thank you, Mr. Chairman.

Senator BURNS. Thank you, Senator Campbell.

SUMMARY STATEMENT OF THOMAS N. SLONAKER

Mr. Slonaker, if you could just summarize your testimony. I have got your full statement and it shall be made a part of the record.

I would say to those folks who are attending this hearing today, get a copy of the statement because you have covered a lot of ground in here. I know I found it very educational, as far as I was concerned, because I have not delved in this as deeply as maybe some of my colleagues have. There are some daunting numbers in here and circumstances about which I think there is very little understanding. So, I would just invite everybody to read this full statement on their own because I think it is a very good statement, and I think it covers the ground that we want to cover.

So, if you want to summarize and then we can turn to the discussion, that would just be hunky-dorey. So, thank you for coming today. We appreciate your efforts and we appreciate this hearing too.

Mr. SLONAKER. Thank you, Mr. Chairman. Thank you for having me. It is a real opportunity for me and for the Department. And thank you, Senator Campbell, for your remarks.

I must just tell you that when I was sworn in, Secretary Babbitt gave me a copy of that 1876 paper and he said, Tom, do not worry about General Custer. There are more serious problems you really need to get on with.

Senator CAMPBELL. Just remember what General Custer got.

Senator BURNS. The only thing good about that is he said, at least we do not have to go back to North Dakota.

Mr. SLONAKER. I am here as the Special Trustee. My responsibilities, as you will recall, under the 1994 act are to oversee and ensure the coordination of trust reform at the Interior Department on behalf of both the Secretary and, of course, of Congress.

I was sworn in last June. I have had now a chance to really dig into the depth of this whole project. So, let me just highlight some of the points in my testimony in the next few minutes, if you will.

Let me first give you just a little bit of perspective on this from somebody who has come from the private sector. We are turning around nothing less than a very large trust department by commercial standards. This trust department has as its principal asset 56 million acres of revenue-producing land, roughly 80 percent of which is for the benefit of tribes and the other 20 percent for individual Indians. That revenue from leasing is fed through to the tribal accounts and to individual Indians, of course, on a regular ongoing basis. There are also about $3 billion worth of invested balances in marketable securities, again mostly tribal funds. But nevertheless, there are about 260,000 individual Indian accounts along with the 1,400 tribal accounts.

TRUST REFORM EFFORTS

To respond to your comment a moment ago, I have found that in my opinion the Government is moving in the right way. Much has been accomplished. Let me give you the pluses and minuses.

A majority of the milestones, as we call them, of the High Level Implementation Plan have been met. Now, that is the blueprint. It has been revised once early last year.

For example, a major financial accounting system has been running for about a year now which produces statements, balances of accounts, and keeps track of all those tribal and individual Indian accounts down in Albuquerque. That is up and running and that project has been accomplished.

The land title portion of what is commonly referred to as TAAMS, which is the accounting system under development for tracking the land assets and the leasing assets, is now a system of record for the 12 BIA regions. That happened last December.

The TAAMS realty, or what properly is called the leasing module, is expected to be ready for user testing and our Interior Steering Committee approval for the system of record in the Rocky Mountain region early in the summer.

Finally, you have probably heard about the regulations that were published in January for probates, leasing, grazing, and trust funds. The important thing from a trust perspective to keep in mind is that regulations such as these are very helpful to trust management from the standpoint that they give clear standards for doing the work for the beneficiaries. So, those clear standards are obviously very important.

However, there are major challenges remaining. First of all, many of these projects have an interdependency. That is, if one project slows down or does not meet its objectives on time, it will slow down one, two, or perhaps more other projects. So, there is that aspect.

There are three major projects—the TAAMS project, which is asset accounting, which I have already mentioned, the probate backlog reduction project, and the BIA data cleanup project—which comprise together a large piece of trust reform and are very much interrelated.

NESSI MEMO

Now, let me just give you a comment relative to the TAAMS project and relative to the letter that I think Senator Campbell brought up just a moment ago. In late February, indeed the BIA's Chief Information Officer, Dom Nessi, wrote a confidential note to me outlining some fundamental concerns that he had with the High Level Implementation Plan, along with the issues he had with management of that plan, as well as the litigation fallout. Dom has been project manager of TAAMS and the BIA data cleanup project since 1998 and has guided these projects since then.

As the Special Trustee, I agree with a lot of what was in Dom's letter. On some points I do disagree.

It was not news. I have cited issues related to Dom's observations in the three quarterly reports to the court that I have made since I have been on board. I reviewed these issues also with former Secretary Babbitt and now with, of course, Secretary Norton.

The course of the TAAMS project has been under review by the Department's Trust Improvement Steering Committee, which I chair, and is under strong scrutiny currently to determine how to

bolster the management going forward. I do believe strong management of certain projects has been lacking, particularly with respect to planning, staffing, budget management, and progress measurements. Furthermore, what I have found is that the experience with the development of large systems is lacking. I need to say also that accountability is sometimes lacking as well.

Change of this magnitude is similar to the changes I have seen in my private sector career. Change is not easily accepted. I believe that the BIA has a significant challenge which will test its leadership to accept new and standardized procedures and common systems if trust reform is to be completed and the beneficiaries are to be properly served.

I must note, however, in all fairness and candor, as I suggested earlier, that substantial progress on many of these projects has been made.

TRUST RECORDS

A couple more things. Then I will be finished.

I am also very concerned about trust records. Records are the heart of any trust system. I think that is pretty obvious. You should know that, while virtually all individual Indian trust records are now stored and available for trust operations, there are still some tribes which resist the notion that individual records—not tribal records—which are subject to the Privacy Act and are Federal property must be maintained by the Government as the trustee. Otherwise, we cannot comply as a Government with our obligations to the individual beneficiaries.

You should know that in my role as the Special Trustee that I have the responsibility to ensure that funding for trust projects is advanced only when work and staffing plans and progress reports provide a basis for successful execution and completion of a project. In some cases, funds have been held until the next fiscal year when planning has not been, in our opinion, sufficient.

COBELL LITIGATION—POTENTIAL FOR SETTLEMENT

Last, soon after I was confirmed, I initiated negotiations with the plaintiffs' attorneys with the presence of the Justice Department. We had a two-page summary of the terms required to wrap up all of the issues pertaining to "fixing the system" and had begun to talk very generally and very broadly about the possibility of settling on the accounting itself. Those negotiations broke down after several months in November of last year, at the point at which the Department of Justice was drafting a consent decree to carry through, hopefully, the execution. I believe negotiations can and should be resumed now, and the Secretary does too.

STATISTICAL SAMPLING

Finally, at the direction of former Secretary Babbitt and Secretary Norton, I should tell you also that we are proceeding with a plan to present to Congress on the feasibility of using a statistical sampling approach for individual trust accounts that may provide the basis of an historical accounting or may provide for a settlement, given the enormous costs of a full reconciliation and the

state and condition of older trust records, in particular. We have had a fair amount of experience in what is often referred to as paragraph 19 document discovery. We have proven to ourselves, in executing that discovery process, that the cost of resurrecting the records is indeed enormous if we were to do it for every single account.

PREPARED STATEMENT

At any rate, those are my thoughts, Mr. Chairman and Senator Campbell. Thanks for the chance to be here.

[The statement follows:]

PREPARED STATEMENT OF THOMAS N. SLONAKER

INTRODUCTION

Good morning, Mr. Chairman and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the status of the Department of the Interior's efforts and our commitment to resolve decades old trust fund management issues for both Tribal and individual Indian account holders. With the assistance of this Committee, Congressional interest and support have been strong and have helped us move ahead on reform efforts for several years. Since fiscal year 1997, this Subcommittee has been instrumental in supporting the development and implementation of appropriate accounting systems, and management information systems to help the Government meet its trust responsibilities to Tribes and individual Indians. Last year, Congress also passed much needed legislation to reform land consolidation activities. Additional funding has been appropriated each year for the day-to-day trust asset management program operations of the Bureau of Indian Affairs (BIA), Minerals Management Service (MMS), Bureau of Land Management (BLM) and the Office of Hearings and Appeals (OHA). Because of these additional resources, the Department has made progress in implementing much needed Indian trust reform efforts. As you know, we are actively working with you to resolve a number of key projects that have considerable work remaining.

When Congress enacted the American Indian Trust Fund Management Reform Act in 1994, it reaffirmed the Federal Government's preexisting trust responsibilities. The Reform Act further identified some of the Secretary of the Interior's duties to ensure proper discharge of the trust responsibilities of the United States. These include (but are not limited to) the following:

—Providing adequate systems for accounting for and reporting trust fund balances;
—Providing adequate controls over receipts and disbursements;
—Providing periodic, timely reconciliations to assure the accuracy of accounts;
—Preparing and supplying periodic statements of account performance and balances to account holders;
—Establishing consistent, written policies and procedures for trust fund management and accounting; and
—Appropriately managing the natural resources located within the boundaries of Indian reservations and trust lands.

As part of my testimony today, I want to provide the Committee with some background information and context to help illustrate the broad scale of trust activities. I think it is important to have an understanding of the vast scope and complexity of trust asset management and litigation related activities in which DOI is currently involved. While a more extensive reference list follows my statement, I want to mention just a few facts about the government's Indian trust responsibility:

—In the early 1800's, the United States pursued the policy of "removal" which promoted the relocation of tribal communities from their homelands in the East and Midwest to remote locations.
—For most of the 19th century, the Federal Government entered into a series of treaties and agreements identifying the lands owned by the tribes. Tribal lands vacated were then declared "surplus", purchased by the U.S. and added to the public domain.
—Proceeds from the sale of Indian lands were used in a variety of ways. In some cases the money was placed in a trust fund for a specific Tribe or distributed to individuals. In other cases, the funds were used to settle claims against the Tribe.

—For the most part, early treaties vested ultimate authority for financial management of the Tribal resources with the President. In a few cases, the Secretary of Treasury, an Indian agent, the Indian Commissioner, or after 1857, the Secretary of the Interior were given authority.
—The individual trusts at issue here were created over one hundred years ago through the General Allotment Act of 1887, also known as the "Dawes Act".
—Under the Dawes Act, tribal lands were divided into parcels and allotted to individual Indians. The United States was established as the trustee of the allotted lands for individuals, and individual accounts were set up for each Indian with a stake in the allotted lands to be managed for the allottees' benefit.
—This system established under the Dawes Act remained relatively intact even when the Indian Reorganization Act of 1934 stopped the process of dividing tribal lands, but extended all trusts periods indefinitely. The Federal Government's duty as trustee over control of allotted lands and the individual accounts that form the basis of the individual Indian money (IIM) accounts has remained and this is what we are grappling with today.
—Today the BIA is responsible for the management of 56 million acres of trust lands, including 46 million acres held in trust for Tribes and 10 million acres held in trust for individuals.
—The BIA also administers approximately 110,000 surface and mineral leases on these trust lands each year, with annual revenue in excess of $100 million. These revenues flow either directly to the Tribe, individual allottee or into the trust fund system.
—The Office of the Special Trustee (OST) manages approximately $3 billion in trust funds. These funds require the active management and investment of some 262,000 accounts in the individual Indian money system with a balance of approximately $400 million, and 1,400 Tribal accounts with a balance of approximately $2.7 billion.
—Although authorized to do so by the 1994 Reform Act, only a few Tribes have withdrawn their tribal funds from OST's management.
—OST spends an average of $147 per year, per account to maintain the 263,000 accounts.
—To date, in response to the *Cobell* litigation, the Department has produced more than 159,000 documents, representing more than 385,000 pages of information. This required the expenditure of more than $19 million and is represented in thousands of hours of staff and contractor time.

Judicial attention also has affected trust reforms. In 1999, the Federal District Court held the Interior Secretary, the Treasury Secretary, and an Interior Assistant Secretary in contempt in the *Cobell* v. *Norton* (formerly *Cobell* v. *Babbitt*) litigation for failure to produce all court ordered documents. The District Court also appointed a Special Master to oversee the discovery process and trust record production and retention. Increasingly, however, time spent on responses required for the *Cobell* litigation adversely impacts the time and energies of the Special Trustee, as well as the OST, BIA, and Departmental managers who are all the principal directors of trust reform.

Unfortunately, to date, efforts to reach a negotiated settlement of portions of the issues at trial in the *Cobell* case have not been successful. Interior continues to pursue a resolution of these matters. Throughout the *Cobell* litigation, the Department has placed a high priority on the trust reform and addressing the ongoing requests of the District Court and the Special Master.

The Special Trustee monitors and oversees a multi-agency, multi-year effort to achieve and sustain meaningful trust reform. Pursuant to the Reform Act, a strategic plan was developed, part of which evolved into the High Level Implementation Plan. Subsequent District Court action resulted in the inclusion of plans to remedy four breaches of trust responsibility identified by the Court. Although the Appeals Court agreed that all the matters identified by the District Court were not breaches of the Reform Act, the Appeals Court left in place the government's obligation to address and report on those matters.

Management reform in any setting is a daunting task. In my view, the problems of the past will be corrected only with strong policy and project management. Changes to government management practices and locally developed procedures that vary from location to location and from year to year do not come easily. Change has been long overdue in the management of Indian trust assets. These changes affect the full spectrum of trust asset management activities within Interior. In addition, these changes in management practices will also impact trust resource management activities of Tribes and individual Indian account holders.

We are changing trust business practices to bring them into conformity with the best practices used in the private sector for the management of trust assets. Most

important, these changes will improve the stewardship of trust resources for Tribes and individual Indian account holders.

INDIAN TRUST MANAGEMENT REFORM TO DATE

I was sworn-in as the Special Trustee last June, and I can report that there has been progress in trust reform over the past year. Some recent accomplishments and developments include:

—OST completed the conversion of all Tribal and IIM accounts in all 12 regions to the Trust Funds Accounting System (TFAS) in March 2000. Currently, approximately 263,000 Tribal and IIM accounts are maintained on the system. Approximately 120,000 statements are mailed out each quarter to account holders.

—The majority of IIM trust financial records have been consolidated into a central location in Albuquerque, New Mexico, with the exception of IIM records from three tribal locations. The Deputy Commissioner for Indian Affairs and I recently sent letters to the three Tribes requesting that each Tribe approve the transfer of IIM account holder jacket folders, which are federal property, to our Albuquerque office. OST is responsible for the efficient use, accuracy, and preservation of these trust records. If a satisfactory solution cannot be reached soon, the Department will notify the Court of this barrier to the Trustee's exercise of proper trust responsibility.

—OST has begun using a national commercial database to help locate more than 65,000 account holders whose whereabouts are unknown. To date, more than 31,000 accounts have been compared with the database to identify possible addresses. More than 18,000 letters requesting confirmation of identities have been sent. More than 2,600 account holders have been located and their account information updated. Responses to the majority of the letters are still pending.

—Effective December 29, 2000, the land title portion of the Trust Asset and Accounting Management System (TAAMS) was made the system of record. With this designation, TAAMS is officially designated the system for the recordation and maintenance of Indian title documents reflecting current ownership for current title processing in four BIA Regions: Alaska, Eastern Oklahoma, Rocky Mountain, and Southern Plains. The conversion of title history data is not yet complete.

—The Trust Management Improvement Project Steering Committee determined that the TAAMS leasing module should be available for Steering Committee evaluation and approval for the Rocky Mountain Region by May 31, 2001. A recent update on the progress indicates that the realty module will be available in the Rocky Mountain Region to run parallel with the legacy systems by June 1, 2001. The BIA has assigned key managers on a full-time basis to complete this effort. A schedule and plan for deployment to the other BIA Regions will be developed.

—BIA and OHA have hired additional staff and contract assistance to begin reducing the existing backlog of Indian probates cases, streamline the probate process, and develop a case management tracking system. These efforts will require significant management attention for several years to address all the impacts of probate on trust programs in BIA, OHA and OST operations.

—Final regulations were published on January 22, 2001 for Leases and Permits on Indian Lands, Trust Funds for Tribes and Individual Indians, Grazing Permits on Indian Lands and Indian Probates. These revised regulations are long overdue and will establish nationwide standards of uniformity for trust administration.

—The Risk Management Program Handbook was published November 30, 2000. This Handbook provides the guidelines for OST's monitoring and review of risk within the Department's trust processes.

—The non systems training program for relevant Interior and Tribal trust asset management employees has been initiated in locations across the country. Training the trust asset management workforce is an ongoing commitment that is critical to the successful implementation of new business practices, accounting systems, new regulations, and management information systems.

—In late December 2000, former Secretary Babbitt directed me to proceed in planning, organizing, directing, and developing a plan to present to Congress on the feasibility of using a statistical sampling approach that may provide the basis of a historical accounting or some basis for settlement of *Cobell.* This approach was considered because of the state of trust records and the enormous costs associated with a historical accounting for each individual account. Secretary Norton has recently reconfirmed this decision. I am hiring a senior project manager and staff presently to begin development of this project plan.

—Congress passed the Indian Land Consolidation Act Amendments of 2000, Public Law 106–462. This legislation will help prevent further fractionation of trust allotments made to Indians and consolidate fractional interests and ownership of those interests into usable parcels. The Act fully supports the consolidation of fractional interests in a manner that enhances tribal sovereignty and promotes tribal self-sufficiency and self-determination. It also helps reduce the administrative and financial burden created by the fractionated ownership of Indian lands, an important component of Indian trust fund management reform. This fractionation of interests not only undermines the vitality of allottee-owned land, but it also severely complicates the government's management of trust assets and resources. As of December 2000, BIA has acquired more than 27,000 interests representing more than 14,600 acres. These purchases should avoid more than 600 probates and eliminate more than 200 IIM accounts.

NEXT STEPS

There is still a great deal yet to be done before the Government can say that it is fully in compliance with the law with regard to our trust responsibility.

Three projects in particular, comprise a critical part of the Department's trust reform effort: TAAMS, BIA data cleanup and probate. These are large, complex, interdependent projects. As an example, until the historical data required to be accessed is properly corrected, the TAAMS system cannot provide fully accurate and complete data output on which to make payments and reports to account holders. I am concerned that we ensure that the management teams on these projects have the capacity and management resources to bring these projects to a successful conclusion. This is not a question of willingness, nor is it solely a question of funding. It is a question, as well, of providing the appropriate additional management expertise and leadership. The Department is addressing this management concern.

While some new regulations affecting trust reform were published in January, additional regulations relating to trust fund accounts and to reconciling commercial leasing to the Indian Lands Consolidation Act Amendments of 2000 are necessary. Internal review, revisions and Tribal consultation of these new regulations will need to be completed soon in order to assist in the implementation of various trust reform business practices. A procedural handbook also needs to be completed which will provide a compilation of uniform business rules and practices for the administration of tribal and IIM trusts. The development, implementation and enforcement of consistent fiduciary business practices are mandatory to the success of trust reform.

The development of tools for evaluating the Department-wide trust asset management workforce, both in terms of the numbers of people needed and their competencies, is very important to the trust reform effort. Workforce planning will be an ongoing effort.

While continued support of this Committee is needed to complete our trust reforms, cost-effective management of those resources is essential for our success. As Special Trustee, I am responsible for ensuring that funding is spent properly and that sufficient work plans, including staffing, are developed prior to the release of funds to projects for obligation. In some cases, as these are no year funds, they have carried over until the next year so that project work plans can be properly addressed prior to funding.

As outlined in the President's Blueprint, the 2002 budget will continue to provide the funding necessary for Indian trust reform. The OST, BIA, MMS, BLM and OHA budget requests will provide the resources needed to sustain the operational and organizational improvements initiated in previous years. The BIA trust management functions, including efforts such as real estate services, probate, cadastral surveys, and land titles and record programs, are absolutely crucial to ensure that the trust management improvements we are implementing are institutionalized and maintained in the long term.

On a final note Mr. Chairman, I again want to thank this Committee, and its former Chairman for its past and current support and assistance provided me and the Department in this critical endeavor. Without the interest and support of this Committee, the reforms we have made and the improvements we have initiated simply would not be possible.

This concludes my opening statement, Mr. Chairman. I look forward to continuing to work with this Committee and you as the new Chairman, and will be pleased to answer questions of the Subcommittee.

SCOPE OF DOI TRUST ASSET MANAGEMENT RESPONSIBILITY

General Asset Management Information

Over the past 40 years, the number of trust and restricted acres of land administered by the Bureau of Indian Affairs (BIA) has grown by approximately 80,000 acres per year.

Today, the BIA administers approximately 56 million trust and restricted acres of land.

Over 46 million of these acres are administered on behalf of Indian Tribes.

Over 10 million of these acres are managed on behalf of individual Indians.

The BIA administers 110,000 surface and mineral leases on these trust lands. These leases generate over $100 million in revenue to the Indian land owners.

In fiscal year 1999, approximately 1,800,000 acres of land were leased for oil and gas, generating an additional $100 million in royalties to Indian land owners.

Also in fiscal year 1999, over 27 million tons of coal was sold from Indian lands, generating over $60 million in royalties.

In fiscal year 2000, 579 million board feet of timber was harvested from Indian trust lands worth $96 million.

In fiscal year 2000, the Office of Hearings and Appeals adjudicated 3,300 probates.

General Individual Indian and Tribal Account Management Information

Currently, the Office of the Special Trustee for American Indians (OST), through the Office of Trust Funds Management (OTFM), manages approximately 262,000 Individual Indian Money (IIM) and 1,400 Tribal trust fund accounts.

The balance of the IIM accounts is approximately $400 million, and the balance of the Tribal accounts is approximately $2.7 billion.

Under the provisions of the American Indian Trust Fund Management Reform Act of 1994, two tribes have withdrawn all their funds from trust, and two tribes have partially withdrawn their funds. Six Tribes have withdrawn all their funds from trust based on other Public Laws and/or their Use and Distribution Plan(s).

OST spends an average of $147 per year per account to maintain more than 263,000 accounts.

Of the more than 262,000 IIM accounts currently held in trust (as of February 28, 2001), approximately

101,000 (38 percent) of these accounts are unrestricted and individual account holders may determine the timing and amount of disbursements from the account.

138,000 accounts (53 percent) are restricted accounts for minors, individuals determined to be non compos mentis, or individuals in need of financial assistance.

23,000 accounts (9 percent) are special deposit, forestry and other accounts.

135,000 of these accounts (52 percent) have had no activity, except interest postings, in the last six months. However, this includes those accounts that only receive resource income annually.

Of the 239,000 accounts held for individuals

33,300 accounts (14 percent) are for minors (including accounts for those individuals whose date of birth indicates they are no longer minors, but who cannot be located or have not responded to correspondence).

65,000 accounts (27 percent) are for account holders whose whereabouts is unknown and for whom OST has no current address.

The average balance in unrestricted IIM accounts is approximately $420.

The average balance in restricted IIM accounts is about $2,100.

142,000 accounts (59 percent) maintain balances in the IIM system. Of these, 91,000 have a balance of less than $500.

97,000 accounts (41 percent) are flow through accounts, and checks are issued to account holders as soon as their balance reaches $15.

OTFM produces approximately 493,000 checks annually to account holders. Additional disbursements also are made via direct deposit and electronic funds transfers.

Of the 1,400 Tribal Accounts

OTFM issues approximately 24,000 per capita payments annually at the request of tribes.

OTFM requests approximately 12,000 checks be cut annually for the Osage quarterly headright (annuity payments), which is the result of Tribal Mineral Income less expenses.

OTFM prints and mails approximately 100,000 checks annually for the Wind River agency quarterly dividend for the Shoshone and Arapaho Tribes.

During the conversion to a new Trust Funds Accounting System (TFAS)

Over 5,540 boxes of trust fund account documents were cleaned up by an outside contractor.

More than 30 boxes of documents relating to pre- and post-TFAS conversion testing were cleaned up by OST staff. This effort included closing duplicate accounts, correcting invalid dates and sort character corrections.

Over 70,000 accounts have been closed and/or corrected as a result of the cleanup effort.

Cobell v. Norton Litigation Efforts

To date, 55 CD–ROMs containing 159,384 documents have been provided to the Court in response to the *Cobell* litigation.

These documents contain 385,421 pages of material.

In OST alone, 14,000 boxes containing more than 35 million pages were searched for responsive documents and 46,600 documents were indexed and imaged on 26 CDs.

To date, $17 million has been appropriated to DOI organizations specifically to support litigation efforts, and thousands of staff hours have been spent responding to document requests.

Records Management Improvements

The Indian Affairs Records Management (IARM) program became operational in December 1999. The program is responsible for implementing a uniform and comprehensive records management program for BIA and OST. The Major emphasis of the IARM program is on cleaning up inactive records stored in off-site facilities.

IARM has been to some 60 BIA regional and agency offices to assess records management practices and to identify records to be transferred to Federal Records Centers or other appropriate storage, and for non-trust records to be properly disposed. As part of this effort, IARM has arranged for the purchase of fireproof or other modern filing systems for more than two-dozen BIA locations to date.

More than 1200 employees at all levels have attended IARM records training.

More than 2300 cubic feet (nearly 6 million pages) of records have been transferred to Federal Records Centers, ending a four-year moratorium. 5,200 cubic feet (13 million pages) have been packed and inventoried by IARM through the National Archives and Records Administration and its contractor.

Approximately 75 million pages of trust financial and IIM account records have been transferred to OST storage in Albuquerque.

Arthur Andersen "Reconciliation" of Tribal Trust Accounts

In 1996, a report was issued by Arthur Andersen pursuant to its contract with BIA to review Tribal accounts held in trust for the 20 year period of 1972 to 1992. This contract with Arthur Andersen cost $21 million.

Arthur Andersen successfully identified receipts and disbursements for 86 percent of the transactions reviewed, representing $15.3 billion.

Arthur Andersen was unable to identify complete historic transactions to determine the origin of 14 percent of the transactions, worth $2.4 billion. This $2.4 billion has not been "lost," but is held in the Department of the Treasury.

In conjunction with the Tribal effort, Arthur Andersen estimated the cost of performing a reconciliation of the IIM accounts. At the time, Arthur Anderson estimated that between $108 and $281 would be needed to complete a 20 year review. Information collected since these estimates indicates that this cost could be well in excess of $300 million.

Following this effort, the Department crafted legislation to create a process by which it could negotiate settlements with the Tribes, based on the Arthur Anderson findings. The legislation was met with widespread Tribal opposition.

Senator BURNS. We thank you.

I was just taken last night, as I was reviewing your testimony and some of the parts of the lawsuit, with what has been done and the cost of that. And then to see what was really at stake here was surprising to me.

SUMMARY STATEMENT OF M. SHARON BLACKWELL

Thank you for coming, M. Sharon Blackwell. We appreciate you and the work that you do and are looking forward to your statement.

Ms. BLACKWELL. Thank you, Mr. Chairman. Good morning, Mr. Chairman and Senator Campbell. I appreciate this opportunity to appear here for the first time and to discuss the work of the Bureau of Indian Affairs on the reform of trust assets management.

I also am here today to confirm the Bureau of Indian Affairs' commitment to the trust reform initiative. We too share the goals that you have expressed this morning, Senator Campbell, to ensure that the fulfillment of this Nation's trust responsibility to tribes, to individual Indians is made a reality.

Due to the support of Congress, the BIA has been able to address decades-old policies and procedures. I believe that we have made some meaningful changes. There is much that remains to be done.

Before I discuss the highlights of the work of the BIA over the past year, it gives me great pleasure, and with your permission, I would like to introduce Mr. Bruce Maytubby who is a BIA Realty Officer from the Southern Plains region in Anadarko, Oklahoma and who heads our TAAMS design team. Mr. Maytubby is in the room with me.

Senator BURNS. Welcome.

Ms. BLACKWELL. We have much to do to overcome the legacy that was left by the failed allotment policy of the late 1800's. That allotment policy followed the scandals that you read about today in the 1876 newspaper, and we now know, with a look back over the shoulder, that that policy too failed.

It has taken a long time to get where we are today, and it will take careful planning and I believe strong partnerships between all agencies within the Department of the Interior and all branches of the Federal Government to correct. It will also take time, I believe, to gain the confidence of the Indian landholders that we serve.

Trust reform obviously touches every aspect of the work that we do in Indian Affairs. I would just like to highlight again what we have done this past year.

REGULATIONS

Last Friday, as Special Trustee Slonaker mentioned, final BIA regulations on agricultural leasing, grazing, IIM accounts, and new probate regulations have been promulgated by the Bureau of Indian Affairs and were made effective last Friday.

The BIA probate regulations will permit BIA attorney decision-makers to make in-house heirship determinations where there are no factual issues. This will, we hope, significantly cut down on the backlog of the probate of estates to determine current ownership. We intend to monitor the effectiveness of the new regulations, particularly the probate regulations, and we are prepared to engage in further rulemaking, if it is necessary, to ensure the success of a streamlined probate program.

YOUPEE

We have completed the first phase of a pilot study to determine the cost to redistribute approximately 178,000 fractionated, disputed interests from the tribes to individual landowners as determined by the Supreme Court in *Youpee* v. *Babbitt.* On December 29, 2000, the ownership or land titles module of TAAMS was deployed in 4 of 12 BIA regional offices. As new ownership informa-

tion is known, that is, after the completion of the probate process or resulting from conveyances, it will be recorded in TAAMS and utilized for the realty programs.

TAAMS MODULES

The leasing module of TAAMS is scheduled to be deployed at our pilot site in Billings in June. This module contains information regarding lease activities in forestry, range, commercial leases, recreational leases, minerals, and will also contain rights-of-way and easement data. An experienced team of BIA realty staff, headed by Mr. Maytubby, are stationed in Dallas, Texas working beside our software contractor to develop this module.

Title and realty modules in the remaining eight BIA regional offices are scheduled to deploy later this year.

DATA CLEANUP

Let me just stand back and say a word about how we get to deployment for a TAAMS module. Deployment comes only after extensive data cleanup which involves the examination and the reconciliation of documents and that information that is in the legacy system. You can appreciate that some of these documents are almost 100 years old. This work is very exacting, but the Bureau of Indian Affairs is committed to doing it right the first time. We want the information that goes into TAAMS to have integrity.

All data cleanup in all BIA regions is conservatively projected for completion by 2005, but the data cleanup effort will not halt the deployment of TAAMS. TAAMS will continue to be deployed. The data cleanup effort will continue simultaneously. In fact, it is most likely that the deployment of TAAMS will enhance the cleanup initiative.

Senator BURNS. Can I interrupt there? Did we get the cart before the horse when we started structuring this reform, as far as you are concerned?

Ms. BLACKWELL. No, sir. I do not believe we have. Data cleanup was inevitable. While the design phase was going on, we have had cleanup teams in each of the regional offices working. So, the data will be ready when it is time to deploy TAAMS in that region.

Once again, we will not stop with the deployment of TAAMS. With the improved system, we believe that it will make the cleanup efforts easier in fact.

Just to give you an idea about the complexity of what we are dealing with, we have charted today one allotment out of the 23,000 original allotments that were made in the Billings region, our pilot. This original allotment was an 80-acre tract. It was made in the late 1800's to one person. I believe the chart is over in the corner. That 80-acre tract is now owned by 147 fractionated interest holders.

Senator BURNS. I could not believe this. The schematic was unbelievable.

[The chart follows:]

[CLERK'S NOTE.—The chart will be retained in the subcommittee files.]

Ms. BLACKWELL. In fact, of the 23,000 original allotments in Billings alone, only 1 of our 12 regions, those 23,000 allotments have

been partitioned, have been divided by family agreement, through devise, into approximately 38,000 individual tracts. So, we begin with the original allotment, but we also are tracking ownership records for the parcels where the allotments have been divided into parcels.

FRACTIONATION

The legend on the chart indicates that as of May 1999, almost 2 years ago, there were five pending probates. I think you can see that on the chart. And there was one life estate. What that means is at the end of the probate process or when the life tenant dies, it is likely that in the past year, the ownership interests have increased by at least 25 owners.

TAAMS not only will contain the information that you see charted on the graphic. It will contain all of the title information, but in addition to that, it will contain the leasing activities of each of these owners over the years. We also will maintain a hard copy of the information, which we are referring to as one of our legacy systems, so that the hard data will be available as well.

TIMELINES

Given the magnitude of the tasks completed and the magnitude of those things yet to be accomplished, there has been some slippage in the dates outlined in the HLIP. In almost all instances, slippage is due to the commitment we have to make this a comprehensive, user-designed and thus a user-friendly system and to ensure, as we go along, the integrity of the data that is being placed into this system.

TAAMS INTERFACES

TAAMS will interface with the Trust Funds Accounting System and with MMS royalty systems. OTFM and BIA staff have worked together to develop a memorandum of understanding that will be reviewed and an accompanying handbook that identifies the respective responsibilities and duties of the offices of OTFM who manage the fiscal accounts and the Bureau of Indian Affairs and their day-to-day interactions. We intend to engage in an aggressive interagency training program between these two agencies. We will do so as well with MMS.

INDIAN LAND CONSOLIDATION PROGRAM

Finally, Mr. Chairman, the Indian Land Consolidation Pilot Project that has had the support of this committee is in its third and I would say successful year. Support for this project has permitted us to continue to halt the geometric progression in the number of owners and to reverse the harsh effects of the allotment era. Today over 29,000 ownership interests have been sold at market value. 310 IIM accounts at the pilot agency have been closed. We intend to aggressively pursue this project in the year to come within the Midwest region and we are also analyzing now whether the project could be expanded to another region.

PREPARED STATEMENT

In summary, I believe we have made important and meaningful progress in reforming the Department of the Interior's operations of trust functions. We understand the challenges. As we progress through the various phases of trust reform, we are prepared to meet new management prerogatives as they develop. We are also confident that this can be accomplished. There is, though, much that remains to be done.

Thank you for this opportunity to address you. I would be pleased to respond to any questions.

[The statement follows:]

PREPARED STATEMENT OF M. SHARON BLACKWELL

INTRODUCTION

Good morning, Mr. Chairman and Members of the Subcommittee, thank you for this opportunity to be here to discuss the Bureau of Indian Affairs' (BIA) work on reform of the Indian trust assets management and to affirm the BIA's continuing commitment to correct where needed, and to strengthen throughout, the administrative processes for fulfillment of this Nation's trust responsibilities to Indian Tribes, Indian individuals and Alaska Natives.

Last October the BIA celebrated its 175th anniversary with a look back at the BIA's unique role in the history of federal Indian policy. As many of us know full well, that history contains some dark chapters. Among those is the decades old neglect of the task of formulating uniform and consistent standards to govern our management of Indian trust lands and the revenues that are generated through that management. It is not surprising that the United States now finds itself engaged in litigation brought by Indian landowners and account holders which challenges old management practices and procedures. The recent decision of the Federal Circuit Court of Appeals in Cobell v. Norton described in great detail the historical shifts in Indian policy and the unintended results which sometimes worked at odds with prudent management prerogatives. Suffice it to say that the legacy left by the failed allotment policy of the 1800s was long in creation and will take not only careful planning and strong partnerships between all branches of the federal government to correct, but will also take time to gain the confidence of the Indians whom we serve.

With the support of this Committee, the BIA, along with other agencies in the Department of the Interior, has begun trust reform which literally touches every aspect of the work we do in Indian affairs. We believe that we have made substantial progress in a number of areas. We readily acknowledge that there remains much to be done.

I would first like to advise the Committee that the $32 million increase that the BIA received for trust work for fiscal year 2001 has been distributed to the 12 BIA Regional Offices and on to the 87 field installations in Indian Country that carry out the day to day management and administration of Indian trust and restricted lands. The distribution of this funding was made based upon such factors as caseload, number of trust and restricted tracts, and number of fractionated owners in each Region. The factors were designed to ensure that these funds were placed in those programs with the greatest need to support the Department's trust reform initiative. The funds are being used to hire additional staff in the specialized areas of real estate services, appraisals and land titles. These new hires will enhance the surface leasing program that annually generates over $100 million in income to Indians who own trust and restricted lands. The goals are not complex, but long overdue: to ensure that Indian leases are timely processed by professional real estate services personnel, rental valuations are prepared by the qualified and certified appraisers, title and ownership records maintained by the BIA and Tribal contractors are up-to-date and accurate, and, that rentals and other compensation due the owners are correctly computed and timely paid.

The reform is challenging. Old policies and procedures grew in each of the Regions to meet differing Tribal specific statutory requirements for allottee and Tribal resources. For an example, while the Osage Reservation in Oklahoma was divided into allotments in 1906, the oil and gas reserves underlying the Reservation were held intact by the United States as a mineral reservation. Interests in the mineral reserve are referred to as "headright interests"; the BIA is charged with maintaining

and distributing the quarterly mineral income to thousands of headright holders, who claim their interest through one of the original 2,297 Osage allottees. Departmental responsibilities in this area includes the examination and approval of Osage wills, conducting administrative proceedings after the death of an Osage testator when an approved will is challenged, monitoring the eventual probate of the will in state court, in addition to exercising superintendence over the surface allotted lands. There are hundreds of such examples of unique statutory and regulatory requirements that guide the work of the BIA. Transposing this work, which in some areas has been done with pen and ink on index cards for decades, into national uniform systems and operational practices is exacting and challenging. It is not unexpected that some managers become frustrated.

While there remains much to be done to correct deficiencies, much has been done. Some of the more significant accomplishments include the following:

—Last year after extensive consultation with the Indian Tribes and legal scholars, the Department issued a historic Secretarial Order that identifies 13 principles which embody what the courts and the Congress has determined to be the parameters of the trust responsibility. Departmental agencies and bureaus that carry out trust functions are mandated to use these principles to examine their policies, programs, and day-to-day operations, and to take remedial actions where necessary. This will be published in the Departmental Manual.

—The BIA regulations on agricultural leasing, grazing, management of Tribal and individual trust funds prior to and after processing by the Office of the Special Trustee for American Indians (OST), Office of Trust Fund Management (OTFM) and an expanded probate processing program, were published as final regulations on January 22, 2001.

—The BIA has worked with OTFM to draft a handbook that identifies the respective responsibilities, duties and documentation requirements between OTFM and the BIA field offices for the processing of funds derived from trust assets.

—As mentioned by the Special Trustee, the "land titles" module of the Trust Asset Accounting and Management System (TAAMS) which contains current ownership records based upon common law notions of legal root of title, has been deployed at four of the BIA's 12 Regions.

—We are near the testing stage of the design of "leasing module" of TAAMS. This module will permit thousands of the various kinds of leases and permits on the 56 million of acres of trust and restricted Indian resources to be nationally documented, uniformly tracked and monitored. Following successful testing, an executive management decision expected in early this summer, will determine future deployment of the leasing module to the pilot Region and onto the remaining BIA locations. Building on lessons learned from industry, the design team is composed of BIA "users" from the various program disciplines of forestry, agriculture, range, housing, minerals and commercial leasing. This team is working alongside the system's software design contractor in Dallas to complete this module.

BIA PROJECTS

The BIA is responsible for five projects under the Trust Management Improvement Plan: implementation of TAAMS, cleanup of land records data, probate, appraisals, and policies and procedures, as well as the related land consolidation project. The size and scope of this Departmental undertaking is unprecedented. I will briefly highlight some of the issues that we face in our efforts to meet the requirements in the High Level Implementation Plan (HLIP) and more importantly, the Federal Government's fundamental trust responsibility to Indian Tribes and individuals and Alaska Natives.

TAAMS implementation and data cleanup

The BIA continues to meet milestones leading to the successful implementation of TAAMS. Decades of under-investment in information technology means, as mentioned earlier, that ownership and leasing data at some agencies exists only in hard copy while others have developed desktop computer-based applications or have used parts of the outdated systems, also referred to as legacy systems. Conversion of existing data to TAAMS requires a unique approach from Region to Region and often even from agency to agency. As we have learned more we have modified our TAAMS implementation approach along the way to guarantee that it is done right the first time. I am mindful that there are skeptics, however, I remain confident that when completed, TAAMS will be a comprehensive, user-designed, and thus, a user-friendly system for modernizing trust management activities in the Department. We are on schedule to meet our deadline of May 31, 2001, for completion of the leasing software design. After the design and system testing is complete, our contractor will

analyze the user testing results and produce a report, which will be the basis for an executive level decision to deploy the leasing portion of the realty module to our test site in Billings, Montana.

Once the leasing module is implemented, future work includes the design, testing and implementation of a conveyance module which will track the ultimate disposition of trust and restricted land either by gift, bargain and sale, condemnation, or voluntary removal of restricted or trust status. Additional tasks will address the integration of the probate and appraisals modules.

Probate

The Department of the Interior's responsibility to probate the estates of deceased Indians who own trust assets was first addressed by the Congress almost 100 years ago. Over the last century, four main components of this process have evolved: (1) BIA agency staff prepare a probate package that includes an inventory of the trust assets of the decedent, known relatives of the decedent, potential heirs or devisees, and provides a will, if any exists; (2) an Administrative Law Judge (ALJ) from the Office of Hearings and Appeals (OHA), or in summary administrative proceedings, the Agency superintendent or attorney decision-maker, determines the heirs or approves the will; (3) the BIA records the new ownership interests in the title plant; and (4) the OTFM distributes trust funds to the heirs or devisees. Over the years, significant backlogs have accumulated in each of these offices which affect some 15,000 estates.

Progress has been made on several fronts for the probate subproject. The BIA and OHA probate activities have been combined under joint OHA/BIA management, a full-time project team is on board, and both BIA and OHA hired additional staff to prepare and decide probates. More than 200 staff attended training and BIA is sponsoring additional training this month to familiarize staff with the revised probate regulations. Regulatory changes will increase the number of cases that can be decided in-house so that the OHA judges can concentrate on the cases where there are factual disputes. A pilot project is ongoing in the Western Region headquartered in Phoenix for processing probate packages. A national roll-out plan is under development. We are also in the process of hiring a contractor to post ownership information in the title plants to address the backlog in posting and recording.

The existing OHA case tracking system is being modified to include BIA case work. A team comprised of experienced staff from BIA, OHA, and TAAMS contractors are putting together the system requirements for the probate module for TAAMS.

In 1997, the United States Supreme Court found in *Youpee* v. *Babbitt* that the escheat provision of the Indian Land Consolidation Act was unconstitutional. The practical effect of the decision is that the BIA, OHA, and OTFM must redistribute the 178,000 fractionated escheated interests from the Tribes. In fiscal year 2000, we completed a pilot project at the Pawnee Agency which monitored the time and cost to amend title records to reflect the new owners of the escheated interests. The data is being examined to determine the BIA costs for this work. Phase II of the Pawnee Agency pilot will study OTFM's time and cost to prepare journal vouchers and distribute income that accrued to Tribal accounts prior to the holding in *Youpee.* We have targeted July 2001 to complete development and begin implementation of the BIA's plans to redistribute the Youpee interests nationwide.

Appraisals

Only with limited exceptions, DOI is required to conduct appraisals prior to approving any lease or sale of restricted or trust land. Last year, BIA produced almost 26,000 appraisal reports. At the recommendation of the Special Trustee we are evaluating the realignment of the BIA appraising function into an independent branch within the Office of Trust Responsibilities. We will consult with Indian Tribes this spring and following results of the consultation and of workload data, we may submit a reorganization proposal for the Committee's consideration. We will keep you informed of our efforts.

Policies and procedures

In August 1999, responsibility for the development of comprehensive trust policies and procedures was transferred from OST to the BIA. In January, 2001, the BIA published the first set of revised regulations governing agricultural leasing, grazing, probate, and supervision of funds held in trust for individual Indians. Following promulgation of the first tier regulations, a second tier of proposed regulations that includes commercial and mineral leasing will be examined. Additionally, based on comments received during Tribal consultations and the public comment period, we will re-propose certain provisions governing adult Individual Indian Monies (IIM) accounts and the probate regulations.

At the end of this month, BIA will submit a report to the Department's Trust Management Improvement Council that will provide an overview of the work remaining to be done to update Indian Affairs' policies and procedures. Many of our regulations and much of our policy guidance and handbooks are 30–50 years old. To help us identify the order in which the work will be undertaken, we sent a survey to all Indian Tribes and to our field staff asking that they identify priorities within some 80 different areas. We will assist other Departmental bureaus to update their policies and procedures that impact trust services. Individual bureaus will address bureau-specific policies and procedures while the BIA will coordinate policy development on crosscutting issues.

Further, the BIA will identify changes that need to be made in existing laws. For example, under the law, many Indian adults are considered incapable of managing their affairs unless they have received a "certificate of competency" from a BIA superintendent.

Indian land consolidation

One of the most important aspects of trust reform is taking place outside of the overall plan. Thanks to the support of the Committee, we are in the third year of the Indian Land Consolidation project. The recent amendments to the Indian land Consolidation Act Amendments of 2000 by the Congress also eases the burden on the day to day activities of the BIA and will result in more timely delivery of trust services to Indian landowners. Through this project, BIA pays willing sellers for their interests in restricted lands and restores the land to Tribal ownership. This represents the first serious effort of the Federal Government to reverse the harsh effects of the allotment era. With its continuation and expansion, this will help to halt the geometric progression in the number of owners of parcels of allotted lands. The Midwest Region continues to be the primary acquisition site for the land program. To date, 1,788 individuals have sold 29,236 ownership interests that allowed us to close 310 IIM accounts. More than 90 percent of the interests purchased are those of 2 percent of less of the total undivided interest in a parcel. In fiscal year 2001, the BIA plans to continue these efforts with reservations in its Midwest Region and consider expanding it to reservations in another Region.

INSTITUTIONALIZING TRUST REFORM

Mr. Chairman, in addition to the ten remaining projects in the HLIP, the Department also has the responsibility of institutionalizing trust reforms and ensuring that the problems do not reoccur. To remedy one of the four breaches of trust identified by the District Court in the December, 1999, decision in the Cobell litigation, we are in the process of conducting a thorough analysis of our staffing requirements for all aspects of delivery of trust services, including the Tribes that manage trust programs. Other trust-related services include: enforcing the terms of leases and taking actions against trespassers, which covers over 100,000 surface leases, in addition to timber sales, grazing permits, and rights of way; courts and social workers who oversee supervised trust accounts. Also, ensuring that Indian Tribes meet the same standards that are placed on the Federal government as trustee will necessitate an assessment of Tribal capacity prior to entering into any contract, as well as conducting on-going reviews of Tribal trust management.

TRIBAL-FEDERAL RELATIONS

The obligation to conduct meaningful consultation with American Indian Tribes and Alaska Natives remains a priority for the BIA. For the last 25 years, the BIA has been moving farther and farther from direct intervention in Tribal affairs. Through the Indian Self-Determination Act, Congress has authorized Indian Tribes and Alaska Natives to redesign programs, to re-prioritize program funding, and to develop their own operating standards. Tribes determine staffing levels and required staff competencies. By law, reporting from most Tribes is limited to an annual financial audit and a brief program narrative. However, the Indian Self-Determination Act also provides that nothing in the Act shall serve to reduce the Secretary's trust responsibility. That means that we are equally responsible for Tribal actions or inaction in the delivery of trust services as we are for our own. We will do our best to work with Indian Tribes to reach consensus on how we assure that both the BIA and the Tribes meet the standards required of a trustee. Implications from the ongoing Cobell case will also play a role in these discussions, especially in records management.

The published final regulations state that trust records are Federal records and are subject to the provisions of the Privacy Act. We must ensure that those with

access to the records, both BIA and Tribal, meet the federal standards required of those who hold sensitive positions.

CONCLUSION

In the next weeks, we will be sending you the President's budget request for fiscal year 2002 that will continue the efforts for trust reform.

This concludes my opening statement, Mr. Chairman. I look forward to working with you and the Committee and thank you for the assistance it has provided on behalf of trust reform. I will be glad to respond to any questions from the Subcommittee at this time on trust reform.

Senator BURNS. Ms. Blackwell, thank you and thank you for bringing your talents to the table. You undoubtedly know the subject, and so we just thank you for your dedication to this and we appreciate that very much.

SUMMARY STATEMENT OF ROBERT J. LAMB

We have with us today Bob Lamb, who is Deputy Assistant Secretary of Budget and Finance. Would you like to offer any comments at this time?

Mr. LAMB. If I could, just very briefly, because I know you want to get on with the questions.

The article you referred to also had a fourth story that I noticed and it was about appropriations and the Congress being locked up in appropriations disputes near the end of the session. So, in some ways the article is also prescient in terms of some of the debates we have been through.

But for this committee and this project, we have nothing but thanks for your strong support, as well as Senator Campbell's legislation last year, shepherding through Indian land consolidation, which we have said for many years—and I know the Senator firmly agrees—is the root problem of the fractionation problem which causes this very complexity that you have alluded to, Mr. Chairman.

I was the Budget Director in 1990 for the Department when the trust reform effort started, the tribal trust effort and so forth. I testified in the trial. One of the topics was whether or not the Government had provided sufficient resources. The judge heard my testimony and that of others and dismissed that charge, in large part because, while the appropriations process is complicated, this committee has been very responsive, as has OMB, and we appreciate that.

TAAMS PROGRESS

You did ask about progress, and if I could just briefly mention three things that I think indicate progress. They are not things that I am going to say. I am going to point to others. I think the two witnesses have pointed to what we are doing. I just wanted to call your attention to three things.

One, with regard to TAAMS, it is not often that the General Accounting Office ever says anything nice about an agency, but with regard to this project—and again, because the Indian Affairs Committee asked them to step in and take a look—it does point out, in their most recent review of TAAMS, that significant improvements are being made, but there are still risks. They point out that Interior is taking the critical steps necessary to install the proc-

esses, practices and discipline needed for this system. They concluded their study by saying significant actions to strengthen TAAMS management have begun as we have begun to recognize the value of following disciplined processes. We have to keep on that course, but we are getting there. It requires our continuing attention.

NATIONAL ACADEMY FOR PUBLIC ADMINSTRATION STUDY

The other study I would like to mention, also supported by this committee, was a complete review of the Bureau of Indian Affairs' administrative capacity. As you know, the Bureau has suffered staggering FTE reductions over the years, at times 50 percent. Although this study was focused primarily on its administrative management, when the National Academy for Public Administration, using funds appropriated by this committee and under the direction of this committee, happened to stumble into trust reform when it was out interviewing people, it made this observation. A 1993 comparison of BIA natural resources staff with those in the Department of Agriculture and other agencies with similar natural resources management responsibility—and Mr. Slonaker has indicated it is the source of the income—showed that BIA would have to more than double its staff to be on par with other agencies. In light of the substantial BIA staff reductions since 1993, the differences in staffing levels are even greater today. The same Indian forest management assessment team report cited that BIA Indian forestry programs as having 2.8 natural resource professionals or foresters per million acres while the Forest Service has 14.

And the report goes on. Again, the resources are needed. And last year in the current appropriations that we are now executing, this committee provided for the first time additional resources to focus on the land management responsibilities of the Bureau. Again, we thank the committee.

TRUST REFORM EFFORTS

Last, the court itself, while in the trial saying that court supervision is absolutely required and will be maintained over the next 5 years, did cite that we are failing to meet our trust responsibilities, but did acknowledge that significant steps towards reform, towards meeting the discharge of our trust responsibilities are underway. Both the appeals court and the district court acknowledge that. We are making progress.

This, as you said, Mr. Chairman, is a daunting task. It is our most solemn obligation and our most serious management challenge in the Department.

We thank you for your support. It has the full attention of Secretary Norton, and we are taking the comments of Mr. Nessi and everyone seriously.

Senator BURNS. Well, we thank you.

Just from my own observation, this particular exercise leading to a positive conclusion is ultimate to our responsibilities we have to the Native Americans and also to rebuild a trust that has eroded over the last 100 years.

By the way, I get a big kick out of these old newspapers. This is out of Philadelphia. In the same article, it says under personal

notes, among the visitors to Fortress Monroe are Senators Thurmond, Boge, Veelinghasen, Stephenson, and Representatives Page and Platt. Senator Thurmond has been lying about his age.

COBELL LITIGATION—DOCUMENT PRODUCTION

Let us go back to some of these questions and highlight some of the things. There is a stack of documents on the Cobell litigation I see on the table. They are way down yonder. I just need someone to lay it out and tell us what this is all about and to explain what is going on here.

Mr. LAMB. Mr. Chairman, if I could, what you have at the end of the table is the index of the documents that we produced, page after page. Those files indicate the documents that we produced.

Now, why did we produce these documents? Under the discovery request for the first trial, the Government lawyers promised to produce for the five named plaintiffs and their predecessors all documents related to the trust. Now, whether that was a wise decision or a foolish decision, it was a commitment.

Senator BURNS. It was a decision.

Mr. LAMB. In fact, it was that failure to respond in a timely manner to that court order that resulted in two cabinet officers and the Assistant Secretary for Indian Affairs being held in contempt.

As a result of that contempt trial, we came to the Congress and asked for the funds necessary to assemble these documents. We were not doing it in a timely way. That was clear. We spent $20 million. We produced 160,000 documents, 386,000 pages of documents, for the 5 named plaintiffs and their 31 agreed upon predecessors. We looked at 76 tracts for the predecessors in interest and 33 for their lineal predecessors, a total of 109 tracts. It required eight different bureaus of the Department to be involved and visitation of 77 sites.

I have to tell you, Mr. Chairman, this was not just going through a file cabinet and saying, oh, it is right here all organized. It meant going through tens of thousands of boxes to determine which documents were responsive and which were not. It was a tremendous undertaking.

We have delivered these documents to the court, and so that this tremendous investment bears some fruit, we have hired Ernst & Young, an accounting firm. Even though this is not the scientific sample across the entire landscape of IIM accounts, we will do an accounting based on these records of these five named plaintiffs and their predecessors to see how much income did we collect, how much did we pay out, did the lease tie to what we show in our records, et cetera. I think it will be helpful both in our effort to do a more scientific sample and to get some value out of this document production.

Senator BURNS. I did notice one of the litigants was Cobell, and you did that schematic which we see up here. That 80 acres—it boils down to the ownership of .0080 of 80 acres. Now, you cannot even raise a tomato plant on that.

Spoken like an old farm kid.

What did all that cost?

Mr. LAMB. That cost us $20 million. The documents themselves are obviously a much bigger stack than that. That is just the index, Mr. Chairman.

Senator BURNS. Boy, do we know how to spend money.

Does this also include the resources of the Department of Justice? Does this also include the work that they have done?

Mr. LAMB. We have paid for some of the Justice cost, but only some as it relates to their assistance in our carrying out some support functions. In addition to that $20 million I am sure the Justice Department——

TRUST RECORDS

Senator BURNS. I can remember Senator Campbell in a hearing alluding to records being stored in old houses and they were water damaged and time damaged. Then I am going to turn it over to him. We have some questions here. It looks like it would be awfully hard to verify the authenticity of those records.

Mr. LAMB. For example, in one of these tracts, they have been able to go back and track this. It is rather impressive.

I would also point out when we started the tribal reconciliation project, the thought was we would never find the documents to support the tribal transactions. I was looking over the data again last night, and we found supporting documentation, as determined by Arthur Andersen, for the basic reconciliation of 90 percent of the transactions.

Now, part of the problem that we have is we all feel that the Federal Government has let down the tribes and individual allottees. We feel guilt for that. It has occurred over a long time. These are complicated matters. Mr. Chairman, I appreciate the time you spent in going over these details and your obvious command of them.

When we produced the documentation, the 90 percent of the documentation that we found, Arthur Andersen said that we had found about 90 percent of this. The newspaper accounts said that the Interior Department had lost $2.4 billion. The Interior Department did not lose $2.4 billion. It did not find the supporting records to document $2.4 billion worth of transactions that were in the system. It found over $15 billion of those transactions and found the supporting documentation. But in a matter this complex, when it gets rolled up into a headline, the easy snapshot is Interior lost.

IIM ACCOUNTS

In the same article about Mr. Nessi, it said the Department has failed to keep track of 50,000 or 65,000 account holders. Well, there are people here who can tell you what we have done. It is a question, I might offer, that account holders have not told us where they are.

ADDRESS UPDATES

Ms. Blackwell told me the other day that she had not updated her account recently, and why? Because a large percent of the individual accounts are very small income-producing accounts, and in some cases it does not make sense to go back, to notify. Ms.

Blackwell indicated to change an address, or make a change to an IIM account, or for disbursements OST requires the account holder's signature to be witnessed by any Department of the Interior employee or be notarized by a notary public.

We are trying to close this gap. I think this is one of the things that discourages those people who are working on this daunting task. The overall summary, when it is rolled up, paints a very bleak picture. We have got to get this job done. We are working to get it done, and with your help and support, we will continue.

Senator BURNS. We are going to help you. I will just make a comment here before Senator Campbell.

CROW AGENCY

I am familiar with the lady who used to have the trust responsibility for everybody down on the Crow reservation. Campbell Farming Corporation was one of the big corporations down there that farmed all that land out to the west of Crow. Nobody in that tribal government knew anything more than she did. She almost had it by memory. She was the lady that did it all. And then she passed away. Come to find out, she remembered it all, but she did not put everything down on paper. It was a daunting thing.

Senator Campbell, you have some questions.

Senator CAMPBELL. Thank you, Mr. Chairman. A couple of comments.

First, who provided this very nice schematic for us? Was that Ms. Blackwell?

Ms. BLACKWELL. Yes. That was prepared by the Bureau of Indian Affairs.

Senator BURNS. I suppose you found yourself in there.

Senator CAMPBELL. Listen, overweight guys who do not have glasses and are over 50 cannot even read this thing.

I was going to suggest in the future make it a little larger. I cannot even read the thing. It looks like a DNA schematic or something.

Ms. BLACKWELL. We brought the larger one, Senator Campbell.

Senator CAMPBELL. Well, anyway it does allude to the complexity of it, even though I cannot read most of the names. It is too small. But thank you for providing that. I will give that to a young staffer with 20-year-old eyes who can tell me what it says.

Let me ask Ms. Blackwell something first. I am a little bit confused. Maybe Mr. Lamb can chime in on this too.

DATA CLEANUP

You mentioned the process that is going on now of examining and cleanup. Is that a code word for some high tech method of trying to record these in a machine, or does cleanup and examine mean you are getting into those boxes and garbage bags and so on down in Albuquerque and finding documents that originally we were told were lost?

We had been told at one time at least 100,000 documents were missing. Mr. Lamb suggested that about 90 percent of those documents now are there. Is the other 10 percent the 100,000?

Mr. LAMB. If there is anything I have learned over the years on trust reform, it is very hard to make any generality because you

always can find exceptions. But I went back to the Arthur Andersen study and then the work that we did after and looked at what they said in terms of the basic reconciliation efforts. They found about 85 percent of the transactions. We did another 5 percent after that. And we could account for, in that basic reconciliation project, by their terms, supporting documents for those.

Senator CAMPBELL. For a layman like me, 90 percent sounds pretty good, but I imagine if I was in the other 10 percent and my documents were lost, I might not be too happy.

Mr. LAMB. Absolutely.

Senator CAMPBELL. Mr. Slonaker brings a world of experience here with an M.B.A. from Harvard and former head of the Farm Credit Funding Corporation, Senior VP of the Mellon Bank, and so on. In your private life, if you said to your stockholders or your people who had investments or savings in the Mellon Bank, you tell them, well, listen, we are in pretty good shape, we know where 90 percent of the money is, it would not be a real vote of confidence, would it, for that other 10 percent. So, I try to put that in perspective. 90 percent is great, but boy, there are still going to be some people, if we do not find the remainder of it, who are going to be hurt.

TRUST REFORM AUTHORITY

I wanted to ask you perhaps, Mr. Slonaker, do you need additional authority to give some real discipline to the reform? And if you do, could you suggest what we ought to do from a legislative standpoint, No. 1?

No. 2, maybe you can give us idea, since this committee is going to have to go to bat for the funds in the full committee, of what additional appropriations you might expect to be asking for?

Mr. SLONAKER. Let me take the second question first. In general, Senator, I do not believe this is a question of funding. I think to echo what Bob said just a moment ago, the funding by Congress of these efforts has been certainly more than adequate. The real issue here has been, not to belabor the point, a question of management.

The authority question is a very interesting one. I think it is reasonable and fair to say that that is a question that we are examining within the Department right now. It is true that the Special Trustee, if you read the 1994 act carefully—and you had a good part in forming it—does not give the Special Trustee line authority over this effort. I basically in my role represent the Secretary and attempt to ensure and coordinate the effort, but it is not line authority.

Probably somebody needs to be in charge and there also needs to be accountability down the line. As I said earlier, there is massive change on the ground here in terms of trust process and procedures, and that massive change is threatening normally to human beings, even though it should not be threatening to them. It makes their job better and easier and, most importantly of all, it is all for the benefit of the beneficiaries ultimately. But I do think there is a question of line authority and I think there is a question of acceptance and accountability down the line.

Senator CAMPBELL. Well, I was going to take that up with the Secretary, whom I am going to see in a couple of days. But as you probably know, in 1994 the Secretary then did not support line authority. He wanted some involvement and wanted him directly to report to him. Your predecessor got crossways with him because of that, as you remember. But I appreciate your doing that.

NESSI MEMO

I might also mention that that so-called confidential memo from Mr. Nessi, if I could say it in New Yorkers' terms, confidential in this town? Forget about it.

Senator CAMPBELL. There is no such thing.

Mr. SLONAKER. We learned that in a hurry.

Senator CAMPBELL. The press probably saw that thing before you did.

Well, in any event, if there is additional authority needed, if you could tell this committee or at least the Indian Affairs Committee at your earliest convenience, we will try to do whatever we have to do.

STATISTICAL SAMPLING

Also, as I understand it, the plaintiffs want to use what is called the economic model to get accurate balances. The agency wants to use what is called sampling. Could you explain very quickly the difference between those two proposals and if there is a legislative proposal that would help it?

Mr. SLONAKER. Well, I am not sure I can give you the best definition of the plaintiffs' approach, but I will give it a good try. I have not been permitted to see it, so until I do, I really cannot tell you authoritatively.

But basically I believe the approach is to look at the land assets over a period of time at the opportunities they could have had in terms of being leased out and the revenues that could have been derived. In some cases, I think there are sufficient records, particularly in the oil and gas industry, that provide some pretty good tracking of leasing and lease payments. To reconstruct a revenue flow that could have existed I think is the fair way to say it. I think that is a very interesting approach, but it is only one approach.

The difficulty that we have, as I alluded to before, is the condition of the records and the cost of uncovering and reconstructing all of the records that we have. The Department felt, and Secretary Babbitt agreed, that a sampling approach might begin, to use my words, to corral in where the final answer is in terms of what is owed under an accounting.

So I think, Senator, it is probably a combination of those two approaches, and there are some other statistics and facts that we have been able to gather over a period of time, including the study of the tribal accounts which gives you some clues, that can produce some kind of a reasonable number in this matter.

PROJECT TIMELINE

Senator CAMPBELL. One final thing, Mr. Chairman. I think Indian people, and certainly this committee too, have a right to get a little better handle on how we are moving and if there is going to be a deadline for the completion of the project. I do not expect you to have that just off the top of your head now, but we would be very interested, and I am sure Indian country would too, in finding out, if the light is at the end of the tunnel, when can we expect a deadline to be met and a total cost figure to be reported. So, when you have a little firmer information on that, I am sure we would appreciate it.

[The information follows:]

STATISTICAL SAMPLING TIMEFRAME AND COSTS

The Office of the Special Trustee recently selected a senior executive level Project Manager to oversee and guide the Sampling Project, who reported for duty to OST on April 9, 2001. The first major task for the Project Manager is to develop the detailed plan requested by the Committee. Preparation of the plan will be preceded by a period of consultation by the Project Manager with a wide variety of interested parties and by consultation with one or more technical experts on statistical sampling techniques. This is a complicated effort that will take a considerable period of time. A long-term funding commitment by both the Administration and the Congress is essential for ensuring that the project can move forward to address issues as they arise. We believe that the conceptual approach of examining issues and methodologies, evaluating results, and only then proceeding with full scale sampling, should that be warranted, assures the Congress that the funds for this project will be used prudently. The fiscal year 2002 budget request for OST includes $7.5 million to continue efforts to develop and implement a statistical sampling plan.

While the cost to complete the Project are unknown, a very rough cost estimate, based primarily on experience with the plaintiffs' records in the *Cobell* case, was derived using some initial, preliminary assumptions as a starting point:

—Assume a sampling of 350 accounts. This number might be understated given the difference in records systems from year to year and agency to agency, as well as the availability of records and ease of accessing them.

—Assume a cost ranging from $50,000 per account (those more recently opened) to $200,000 per account (the approximate cost of the *Cobell* account analyses).

—Under these assumptions, the cost, excluding any DOI staff, and related contract development and management expenses, ranges from $17,500,000 to $70,000,000.

These are rough approximations based on limited (although intensive) experience with records production, and we will have a better idea as we move through the early project development phase.

TRIBAL CONSULTATION

Senator CAMPBELL. Last, one of the complaints this committee, and Indian Affairs too, often gets is that Indian input and involvement from tribal groups is not enough, and the agencies often make their decisions in a vacuum, and then they say, this is it and what do you think of it.

I do not know if you have been active with some of the Indian associations like the National Congress of American Indians, but I know that they have insisted that, if there are new regulations, they should incorporate both internal controls and accounts receivable too. It is my understanding that the Department's proposed regulation states we believe the regulations are not an appropriate place to address accounts receivable. Would you like to comment on that?

Mr. SLONAKER. That is a complex matter. The real issue here is, do regulations address the policy, or do they get down into actual procedures? I think there is a feeling within the Department that that particular subject gets more into procedure and out of the status of policy.

Another complication is that these regulations replaced, as I understand it, in some cases regulations that have been in place for a long, long time. Regulations are not easily changed. So, one must be very careful, in my opinion, that you write regulations in such a way that they can cover some broad circumstances as the landscape changes over a period of time. I think that is the heart of the issue here, Senator.

Senator CAMPBELL. Well, you know the term "negotiated rulemaking." I would encourage that as you move along, you include tribal input.

Mr. SLONAKER. Absolutely.

Senator CAMPBELL. I hope you would.

Thank you, Mr. Chairman.

Senator BURNS. We never encountered negotiated rulemaking in the U.S. Marine Corps.

I want to pick up on what Mr. Slonaker said. Usually progress is either slowed or stymied because of a couple of things, and that is, it was asked about bright line authority and definitions. Would you agree with his statement that he just now made on bright line authority? And do we need to do some work maybe along those lines legislatively?

Ms. BLACKWELL. Thank you, Mr. Chairman.

I have not had an opportunity to think about legislation. I think that it is an appropriate time in trust reform to look at management at the top and management within the Department of the Interior as these projects begin to come together. The Bureau of Indian Affairs has responsibility for only five. There are other projects under the direction of the Office of the Special Trustee for American Indians, the Minerals Management Service, and others. We are at a place now where we do need some kind of central coordination as they meet each other. Whether or not that takes legislation, I am not sure that legislation is necessary.

Mr. LAMB. Mr. Chairman, the Department is fortunate to have rather broad legislative authority in terms of how it organizes itself. Under the 1950 Reorganization Plan Act, the Secretary can make organizational changes. We normally do those in consultation with the Congress. But I know the legislative route is a long and drawn out one often.

Senator BURNS. We do not draw too many bright lines up here, I will tell you.

Mr. LAMB. The conversations that Senator Campbell is going to have with the Secretary and I am sure that you will—I think there is existing legislative authority in terms of flexibility of who reports to whom and who is held accountable.

Senator BURNS. Especially in this asset and accounting management systems, I think it is very important that there be some bright lines of authority because you have got to make some decisions independent of what is going on around you.

TRUST FUND ACCOUNTING SYSTEM

Tell me about the Trust Funds Accounting System, the TFAS, your progress there. Are you satisfied with it? Just give us an update on that.

Mr. SLONAKER. The so-called TFAS system is actually a system that I was familiar with in the private sector and is basically a service bureau, largely off the shelf, if you will, and a very competent system. It is up and running in every respect. In fact, Donna Erwin who is the director in Albuquerque who manages and oversees that activity is here. So, that is one project that has actually been completed.

If I can carry your question just another inch or so, that system, the TFAS system, will couple up with the TAAMS system. So, the TAAMS system is really accounting for the assets and passing the information through the interfaces.

Senator BURNS. Those two systems can interface? They can talk to one another?

Mr. SLONAKER. They will be, yes. The interfaces are, I think it is probably fair to say, pretty much in place, but they are not completed yet. But the TAAMS system itself has to be brought into an operational mode, and then the interfaces will be there. So, those two systems will, in effect, become almost a service bureau to the whole trust system. But TFAS will not work at its best until TAAMS, of course, is in place.

PRIVATE SECTOR

Mr. LAMB. One of the questions that always comes up is why do you not just contract this out. In essence, that is what we have done. This financial system that we are using is used by 150 different banks and financial institutions from Wells Fargo to Bank One to Mellon to State Street, et cetera. So, we are using the private sector. We did not build a unique system. We are using a system that is a common service provider. It makes a lot of sense.

We have been doing daily reconciliations of our accounts with Treasury, going back for almost 10 years now.

Again, there are always stories. We cannot reconcile the past until we get some sort of settlement. Paul Holman has said this. Mr. Slonaker has said this. We cannot say for certain. Our annual audits of our trust accounting system always come back to saying, well, we are not sure. As auditors, we cannot tell you what the beginning balances are until you settle the past.

We have focused in this effort to fixing the future, and we have in place now for a year this system used by 150 major financial organizations that is looking well. Account holders are getting quarterly statements. But we have not resolved the past.

Senator CAMPBELL. If I might interject, Mr. Chairman, a couple of years ago, Senator Murkowski and I and several others believed that the Department simply could not straighten up the problem with regard to investment options. We introduced a bill, in fact, to let the private money managers, the private industry who are skilled in that expertise do it. The Department obviously opposed that and felt it could. As I understand you, you are using the sys-

tems that would have been used if we had turned it over to the private sector and it seems to be working.

Mr. LAMB. Yes, and we are using other techniques and other advisers. Donna Erwin can elaborate if you like. But we are using the best practices of the private sector.

Senator CAMPBELL. Well, at the time we introduced that bill, there was some unfortunate response from some of the tribes who thought that it might somehow erode trust responsibility, when in fact it was sunsetted so it would have come back under the jurisdiction of the Bureau after it was straightened up. But I am glad you are using the skills that work so well in the private sector.

Senator BURNS. Do you want to comment on that, Ms. Blackwell?

TAAMS

Ms. BLACKWELL. Yes, Mr. Chairman. I just wanted to make sure that the committee understands that, as Special Trustee Slonaker has said, TFAS is essentially an off the shelf product. Mr. Lamb has testified that this is the system that is used by other financial institutions.

That is very different from TAAMS. Essentially we are designing the TAAMS system. We attempted in a time past to locate an off-the-shelf system, and frankly, for those of us who are students of the Indian problem, it just was not possible. There is nothing out there to compare. There is not a system out there that contains the kind of intricacies and complexities that this Indian land title has. So, the TAAMS system is being developed and being designed by the users. It will interface with TFAS.

We also have plans to interface with MMS' system as well. TAAMS will be feeding to the mineral royalty system.

DIRECT PAY LEASE PAYMENTS

Senator BURNS. Let us take that a little bit further. In last year's hearing, I asked a question regarding lease payments on the Crow Indian reservation. You remember that. At that time BIA was in the process of changing the method of distributing lease payments. Instead of allowing the American Indians to receive lease payments directly from leasees, the BIA was in the process of requiring those payments to go through the BIA first before going to the owners. Obviously, it would be easier for the tribes if they could obtain those lease payments directly. On the other hand, I understand that the BIA has concerns and may require those funds to pass through the BIA first so they can be adequately accounted for.

Can you tell me the status of that issue, and what was the final outcome of it?

Ms. BLACKWELL. Yes, sir, I can. In response to the concern that was raised in this committee and in response to the BIA consultation policy with individual Indians and Indian tribes across the country, as we developed these regulations, we had regional consultations. In response to that, we rejected the idea of prohibiting direct pay, and the regulations that were effective last Friday continue the direct pay provision.

Senator BURNS. Thank you. Good answer.

Senator Campbell, do you have any further questions?

Senator CAMPBELL. No. I have no further questions, Mr. Chairman.

But I would reiterate, since we are going to have a tight year for the appropriations process, that we need to know early on if it is going to take additional money to help you.

LITIGATION EFFECTS

Senator BURNS. The litigation we understand has caused some spinoff problems down there tying up personnel, and sometimes morale gets a little low. Every time we try to do something, the litigants become a part of the problem. Tell us how it is going with them in this situation and how you deal with that.

Mr. SLONAKER. It presents difficulties. There is what I would consider to be a great deal of motion practice, which I think the attorneys would call it, that is going on between Justice and the plaintiffs' attorneys. A lot of that is related to records. A lot of it takes work. People are subpoenaed. I do not know whether it is any different than in the private sector. It is certainly far more active than I have ever experienced. But it does consume time and it takes time away from trust reform, and we just have to deal with it.

Mr. LAMB. More broadly, Mr. Chairman, I just jotted down this morning when I got to work what we are doing simultaneously. This is not all court-related. It is the scope of this project. It is not all the plaintiffs' practice of law. Simultaneously we are building new systems. We are reforming business practices and making more uniform those policies across BIA's 12 regions. We are rewriting regulations that are, in some cases, 50 years old. We are converting paper records to electronic media. We are converting old systems information to new systems. We are filling out data gaps. We are tracking down account holders. We are responding to document production requests and court requirements. We are interfacing systems, one system to the other, as you just heard. And our employees are being deposed.

Senator BURNS. What do you do the rest of the day?

Mr. LAMB. These are the same people for which, in many cases, we had 2 or 3 compared to the Forest Service's 14. Again, we are building those staff. We are recruiting.

We are using the private sector on the TAAMS system. We selected Applied Terravision out of Dallas, Texas. They are the single largest software producer in the oil and gas industry. They are no rookies in this business. They have been, by GAO's account and by our account and by our evaluation, a very responsive firm. We are trying to do this right, but it is an enormous task.

CLOSING OBSERVATIONS—CHAIRMAN BURNS

Senator BURNS. I will tell you that I am committed to supporting this effort. Tell us, as we go into the season of appropriations, if you would just correspond with us on your needs, because I think we are in a situation now where this is not a game and it is very serious to establish that trust, literally, that we need to complete this. I am dedicated to the situation of this coming to a successful conclusion, knowing that it is not going to get done in 1 or 2 years even. I think anytime we set dates of completing something, then

we run over more than we pick up, and we have got to go back and do it again just to make a deadline.

I know the bureaucracy loves to build a lifelong career out of one issue. I have always said if I went into wildlife biology, I would find myself an endangered species and I could deal with that endangered species for the rest of my career in government. I could not find that tree toad and I did not have a degree in wildlife biology anyway.

We want to be very supportive of what you are doing, and this dialogue is very, very important because basically the taxpayers are starting to ask some questions too, and we have got to be responsible to our taxpayers.

Senator CAMPBELL. Mr. Chairman, I understand the importance when you talk about the number of people you would like to have, but very frankly, I am not sure that just sheer numbers count as much as expertise and skills.

Mr. LAMB. Yes, and I am in complete agreement with you.

Senator BURNS. Your investment in people who have those skills is very, very important. So, anything that we can do to help you out in that respect, let us know. We look forward to working with you.

Do you have a closing observation?

DATA CLEANUP

Ms. BLACKWELL. Mr. Chairman, I know the hour is late. May I respond to Senator Campbell's question on data cleanup in writing?

Senator CAMPBELL. Yes, if you would.

Ms. BLACKWELL. Thank you.

[The information follows:]

DATA CLEANUP

Data cleanup entails both a review of electronic records using anomaly reports produced from the existing databases and requiring subsequent research and analysis by the data cleanup contractor. It also requires the proper organization of paper records for direct entry into the TAAMS.

The data cleanup effort is a long and arduous task with many components. For land title records, there is over a century of data that must be addressed. Even offices with relatively good automated data have "lapses" in their databases where a span of years is not complete. In most cases, there are paper records available to recreate this data. The recreation of title data is not easily accomplished. The data must be entered into the TAAMS in the exact order that it would have occurred chronologically in order to ensure the proper building of ownership and chain-of-title. It takes experienced data cleanup personnel to perform this task. Performing data cleanup on the remainder of the electronic records requires that anomaly reports be produced and that discovered anomalies be researched and corrected. This process is underway in all title plants where the electronic records have been deemed sufficient to "cleanup". In some title plants, the electronic records either did not exist or were in too poor condition to migrate to the TAAMS. These records are being reentered in their entirety.

For leasing records, very few Regions have sufficient electronic files to migrate. Those that do are being cleaned up using anomaly reports and performing the necessary research. However, many offices do not have sufficiently accurate electronic records to migrate into the TAAMS. Those offices will have all currently active leases entered directly into the system ensuring a very high rate of accuracy from the onset.

Senator BURNS. There are a couple other members who could not make it this morning, and I think they would probably have ques-

tions. If they have questions, we will try to get them to you, and if you could respond to them and the committee.

Senator CAMPBELL. Mr. Chairman, I noted with interest that Mr. Slonaker retired in 1996 before he came to work for the government after that illustrious career he had in the private sector. I was wondering if he has had any second thoughts about retirement.

You do not need to answer that.

Mr. SLONAKER. I do not think I will.

Senator CAMPBELL. Everybody has a pain threshold, and I am sure you are about up to yours sometimes.

Senator BURNS. I say again I want to thank you all for government service because sometimes you do not think it is worth it, but it really is. So, I want to thank you for accepting these duties and doing it with a willing spirit and all of that. I appreciate that very much.

ADDITIONAL COMMITTEE QUESTIONS

If we have more questions, we will get them to you. We will leave the record open. We look forward to working with you as we move those appropriations. Thank you for coming today. It has been very enlightening to me.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

Question. Please explain the U.S. Treasury's role in managing the tribal trust funds in the past and its current role.

Answer. While the Interior Department is responsible for executing most of the federal government's trust duties, the Treasury Department has substantial trust responsibilities as well. In particular, Treasury holds and invests IIM funds at the Interior Department's direction and provides accounting and financial management services. The Office of Special Trustee has requested Treasury to provide a more complete response, which we will forward separately to the Committee.

Question. Recently, there has been mention in the press that the Crow Tribe is concerned that they have had a delay in receiving federal funds and that the delay may be due to the fact that an assistant secretary for Indian Affairs has not yet been appointed. Please comment on this.

Answer. While a news article referred to the absence of an incumbent Assistant Secretary—Indian Affairs, there has not been a delay in the BIA appropriations to the Crow Tribe. Currently, there are internal issues within the Tribe itself which has played a role in its financial affairs; however, neither the absence of an Assistant Secretary nor the allocation of fiscal year 2001 BIA appropriations to the Tribe is a factor in the situation.

Question. It is the subcommittee's understanding that both the title and realty portions of TAAMS are scheduled to be implemented in the BIA's Rocky Mountain Region in Billings, Montana during the first week of June. Will the BIA be able to meet that deadline?

Answer. The title function has been operational in the Rocky Mountain Region since December 2000. The BIA is currently testing the leasing function at the Rocky Mountain Region Office.

Question. Please lay out the current time line for TAAMS full deployment.

Answer. The development of land title and record functions was completed in the summer of 2000. Improvements were made subsequent to implementation and TAAMS became the system of record in four BIA Regions for title in December 2000. The leasing function is being tested and reviewed with a final system decision to be made in June 2001. The land title, record, and leasing functions represent the core of TAAMS. The BIA is planning additional improvements to the TAAMS core in the fall of 2001, as well as adding modules for appraisal and probate.

The TAAMS deployment of the title and leasing modules of TAAMS is predicated on successful user acceptance testing and a Departmental deployment decision. Once the foregoing conditions are met, the following projected deployment schedule may be slightly adjusted to accommodate Site Readiness Reviews. The BIA is planning to deploy TAAMS core modules in three phases of groups.

Group A:

Rocky Mountain—June–August, 2001
Southern Plains—July–October, 2001
Eastern Oklahoma—September–October, 2001
Alaska—October 2001–February 2002

Group B:

Southwest—January–March, 2002
Navajo—February–May, 2002
Western—April–July, 2002
Northwestern—June–September, 2002

Group C:

Great Plains—September–November, 2002
Midwestern—October, 2002–January, 2003
Eastern—December, 2002–February, 2003
Pacific—January, 2003–March, 2003

BIA intends to phase the deployment process to complete one group before moving to the next. The driving force in implementation will be three factors: Data cleanup/data entry completion; Data migration (where applicable); and Training of BIA staff.

However, TAAMS will undergo continual change for many years to come as new modules are added, additional features are included and as the system evolves to reflect changes in statutes and regulations. TAAMS is scheduled to be completely deployed and implemented throughout the BIA and required Tribal sites by the end of fiscal year 2003.

Question. How much money has the government spent, to date, to develop TAAMS?

Answer. Approximately $38 million has been appropriated through fiscal year 2001 for development and implementation of TAAMS. We are requesting $14 million in fiscal year 2002 for further development and deployment of TAAMS modules.

Question. The Department of the Interior has had failed computer systems in the past. One that comes to mind is ALMRS for BLM. Please explain how TAAMS is different from ALMRS?

Answer. The two systems have been developed in completely different environments. TAAMS has had a high degree of user input from the beginning of the development effort, ensuring a much higher degree of acceptability. It is our understanding that the BLM user did not have as much participation in the design and development process as the BIA user community. Additionally, the manner in which TAAMS was developed (evolutionary prototyping) has allowed for the user to see the system in action at key points along the process and to make any necessary changes before the next prototype was developed.

Question. What assurance do you have that TAAMS will not be another failed computer system?

Answer. All system developments have risk, however risk with respect to TAAMS is minimized by the work performed up front on the design and planning of the system. Initially it was determined that the software for TAAMS was commercially available, and thus, minimal design was needed up front. When it became clear that that minimally modified commercial off-the-shelf software (COTS) product would not meet the needs of the BIA to fully carry out its trust responsibility, the BIA worked hard to customize the software design to ensure the greatest possibility for success. The BIA believes that the success of TAAMS software development is demonstrated by the deployment of the land title module, as well as in recent testing of the lease module.

Question. The backlog of probate cases is serious and will only get worse if the government does not get a handle on the situation. Have you made any progress in this area?

Answer. Yes. Work began on the BIA probate backlog in fiscal year 2000 and has continued in fiscal year 2001 with the modification of one contract and execution of a new contract to reduce the backlogs in case preparation, processing, and posting and recording new title information. The Office of Hearings and Appeals' Probate Rule is expected to be published in the Federal Register by June 2001. The Attorney Decision Makers (ADMs) should eliminate the summary distribution backlog by the end of the fiscal year 2001. Additional progress includes establishment of partner-

ships with approximately 60 Tribes for the performance of probate functions, completion of Phase I Workforce Planning at the end of April 2001 and nation-wide training for the web-based, probate data-tracking system. A summary of the status of activities follows:

Probate Case Processing Backlog.—There were approximately 5,400 cases identified in the HLIP in which 90 days had elapsed since BIA had received the notification of death, the time frame that the existing OHA regulations allow for BIA's processing of the case. Under the BIA's final regulations, effective March 23, 2001, the time to complete the probate package was changed to 120 days after the verification of the death to provide an adequate and more realistic timeline to prepare a probate package. In fiscal year 2001, the BIA executed a contract to conduct a pilot to plan and budget for this work. The pilot sites selected are three BIA agencies and one contract Tribe within the Western Region (Phoenix area). The pilot's goal is to complete approximately 120 cases within four months and prepare a project management plan to roll-out the contract on a national basis. The plan is to begin work in the entire Western Region by June, 2001. This effort is expected to be completed by fiscal year 2003.

Summary Distribution Backlog.—This backlog is the primary focus of work in fiscal year 2001. Approximately 1,000 backlog cases which involve only trust funds must be prepared, processed, and if the heirs elect, decided through summary distribution. For the three-month period ending January 31, 2001, 331 cases were submitted and 231 cases are pending decisions. In summary distribution, the BIA probate staff must first prepare the probate package and then refer the case to the ADMs. If all the summary distribution cases are prepared and submitted, the ADMs should eliminate the summary distribution backlog by the end of the fiscal year 2001.

BIA Posting and Recordation Backlog.—Approximately 4,600 cases have been decided, but are awaiting BIA posting and recording actions to amend the land ownership records to reflect the new ownership set forth in the decision. This includes posting, recordation of title information in the Land Title and Records Office (LTRO), and amendment of BIA agency records. In July 2000, BIA awarded a contract to initiate the work at three LTROs: Great Plains Region (serving the Great Plains Region, Aberdeen, South Dakota and Midwest Region, Minneapolis, Minnesota); Southwest Region (serving the Southwest Region, Albuquerque, New Mexico; Navajo Region, Gallup, New Mexico; and Western Region, Phoenix, Arizona); and the Northwest Region, Portland, Oregon. As of February 2001, 765 cases involving 7,123 tracts have been completed at these three LTROs. An additional 216 cases have been completed by the contractor and are awaiting BIA approval. The contract to eliminate this backlog continues throughout the remainder of fiscal year 2001 and into fiscal year 2002.

Backlog Created by Youpee v. Babbitt.—In response to the Supreme Court's decision, approximately 178,000 restricted and trust interests involving 13,000 estates will be redistributed. In fiscal year 2000, a pilot project was conducted at the Southern Plains Regional Office title plant and at its Pawnee Agency to redistribute the escheated interests in 65 estates. The data collected in the pilot is currently under examination and a final report is targeted to be completed by May 2001. In fiscal year 2001, Phase II of the Youpee pilot is designed for the Office of the Special Trustee for American Indians, Office of Trust Funds Management (OTFM), to study the financial costs of determining the amount due and payable, including interest, and the income to the proper heirs or devisees. In fiscal year 2002, Phase III of the Youpee pilot will examine nationwide land valuation to determine the costs to buy-out the escheated interests.

Based on these pilot activities, the BIA will develop a national rollout plan to be implemented in phases. The redistribution of escheated interests will be contracted and will continue for several years. Funding for the redistribution contract is included in the fiscal year 2002 request for the Indian Land Consolidation Program account in the Office of the Special Trustee.

Question. What would make trust reform efforts in the probate backlog area easier?

Answer. Project management plans are addressing three areas of backlog in the BIA: (1) posting and recording; (2) case preparation and processing; and (3) Youpee redistribution. These backlog tasks are to be contracted to an independent contractor to provide the BIA and Tribal probate field staff an opportunity to complete the backlog in summary distribution cases and to maintain their current caseloads.

As ownership of Indian land descends from one generation to another, fractionation of ownership has burdened the Department's ability to administer the transactions generated from resources located on the lands, maintain current and up-to-date ownership and maintain records and timely distribute income. The BIA's land

consolidation program has consolidated over 29,000 highly fractionated interests in allotted Indian lands to date. Implementing the new provisions of the Indian Land Consolidation Act Amendments of 2000 will further ensure the success of the Department's efforts in consolidating fractional interests to reduce the administrative burden and improve the economic value of the lands for the Indian owners.

Question. Pursuant to the recommendation in the National Academy of Public Administration report, the Bureau of Indian Affairs moved the Office of Information Resources Management to Reston from Albuquerque so that it would be closer to BIA headquarters. Funds were appropriated to support this move.

Please give us an update on the move as to whether the move was successful and whether the move achieved its intended purpose.

Answer. The relocation, which addressed issues raised in the National Academy of Public Administration Study report, has placed the Office of Information Resources Management (OIRM) under closer supervision of the Assistant Secretary—Indian Affairs' senior management. The data center operations and programming support continues to be contracted with ISI, Inc., who originally assumed these functions when most of the OIRM staff chose not to relocate to the Reston facility. Only 13 OIRM staff transferred to the Reston facility. Hiring replacement employees for those that chose not to relocate has been a challenge in the competitive environment of the greater Washington, DC area. However, contracting for services has been somewhat easier. Since April 2000, the OIRM staff has increased from 13 FTE to 42 FTE and 20 contractors. The OIRM is in the process of extending the ISI, Inc. contract for an additional year. The contract extension will require thorough documentation of computer room operations and legacy computer programs so that overall knowledge of operations and support will increase. The goal is to increase the overall quality of OIRM support. OIRM anticipates the need to continue to contract for legacy system support and data center operations; the need for contractor support will diminish as TAAMS becomes operational.

Question. The BIA has been under a lot of criticism regarding the BIA's control of the financial records for American Indians and Alaska Natives. Has the BIA always been responsible for these financial records?

Answer. Throughout its history, BIA has made, received and maintained financial records pertaining to American Indians and Tribes. Today, the records management policy for BIA and OST is under the auspices of the Office of Special Trustee.

Question. What is currently being done to find the financial records that are deemed lost?

Answer. After the court's December 1999 ruling, a sub-project was initiated to obtain missing documents and information from sources outside the Federal Government. The effort is designed to: (1) describe the nature and extent of IIM trust accounts since passage of the Reform Act; (2) present a logical approach to assess the state of documentation, information and data available and necessary for the Department to meet its obligations under the Reform Act; and (3) identify approaches and options for gathering missing documents, information and data from third parties to supplement the Department's current files. The project is managed by a team of senior trust managers in the Office of the Special Trustee, and the status of this project is reported in the quarterly reports to the Court. This project is undergoing re-assessment through joint meetings between the special projects staff, contractors and the project manager recently designated for the Statistical Sampling component of the historical accounting.

Question. Are you concerned that there may be problems with the Department's data clean up efforts? Please outline what the Department is currently doing to accelerate and improve the data clean up efforts.

Answer. The data cleanup effort is a long and challenging task with many components. The BIA and OST each are responsible for a data cleanup subproject, as noted in the revised HLIP. The subprojects are aimed at ensuring that data housed in existing or new systems are accurate and complete, and at eliminating transaction processing backlogs to ensure records are up-to-date—particularly land ownership information and records. OST's data cleanup project entails standardizing and verifying IIM system data for trust financial records, and correcting and establishing an inventory of hard copy records for each trust fund account. Progress has been made on several fronts, including completion of a plan to resolve and cleanup Special Deposit accounts in January 2001. Also, the plan for the Revised Management Coding project, which outlines the steps necessary to review and correct the code discrepancies, was completed in December 2000.

BIA's trust records cleanup projects involve ensuring accurate land title and resources management information. This project relates directly to the TAAMS projects and this effort will be coordinated with the eventual deployment of TAAMS at each implementation site. For land title records, there is over a century of data

that must be addressed. Even offices with relatively good automated data have "lapses" in their databases where a span of years is not complete. In most cases, there are paper records available to develop automated data. Assembling title data is not easily accomplished. The data must be entered into TAAMS in the exact order that it would have occurred chronologically in order to ensure the proper building of ownership and chain-of-title. It takes experienced data cleanup personnel to perform this task. Performing data cleanup on the remainder of the electronic records requires that anomaly reports be produced and that discovered anomalies be researched and corrected. This process is underway in all title plants where the electronic records have been deemed sufficient to "cleanup." The BIA data cleanup effort is concentrating its data cleanup efforts to correspond with the TAAMS deployment schedule for Group A

In some title plants, electronic data either does not exist or is in too poor condition to migrate to TAAMS. The records in these instances are being reentered in their entirety. For leasing records, very few Regions have sufficient electronic files to migrate to TAAMS. Those that do are being cleaned up using anomaly reports and performing the necessary research. Those that do not will have all currently active leases entered directly into the system to ensure a high rate of accuracy from the onset.

Regarding the BIA data cleanup project, the Principal Deputy to the Special Trustee is to set up a work group to validate the existing statement of work, assess the direction of the project, and to provide recommendations on future management, direction, priorities, schedules and funding for the project.

Question. According to the 1994 Reform Act, Tribes are authorized to withdraw their tribal funds from the Office of Special Trustee's management. How many tribes have withdrawn their tribal funds? Why do you think only a few tribes selected to withdraw their accounts?

Answer. Under Title II of the American Indian Trust Fund Management Reform Act of 1994, a Tribe may voluntarily withdraw its funds from the trust, subject to plan approval by the Secretary. As of December 31, 2000, only two Tribes had withdrawn their funds and two Tribes had made partial withdrawals. During calendar year 2000, seven new inquiries were received regarding the withdrawal process. While several Tribes have inquired about the process for withdrawal, and OTFM provides assistance in understanding the process and forms to complete, the decision to proceed with withdrawal rests solely with the Tribe.

One possible reason withdrawal has not occurred often is the likelihood that private sector firms would charge significant management fees and costs. Another reason is that unique federal powers not available to private firms are often required to provide continuous protection of tribal interests and resources. The Government has an enduring trust responsibility to American Indians which often goes beyond mere financial management. The 1994 Reform Act contemplates that the withdrawal of trust funds affects the trust responsibility only with respect to the funds withdrawn. 25 U.S.C. § 4022 (c). Tribal funds are often utilized in ways that affect the stewardship of trust land and natural resources, which continue to be managed in trust by the Department of the Interior. The questions presented entail complex asset coordination and policy issues, requiring full consideration of the government's overall trust obligation in the context of self-determination and tribal sovereignty.

Question. In late December of last year Secretary Babbitt directed you to conduct a statistical sampling of Individual Indian Money Accounts, and Secretary Norton concurred with that directive. How far along is the Department in this process and what will the statistical sampling involve?

Answer. The Office of the Special Trustee selected a senior executive level Project Manager to oversee and guide the Sampling Project, who reported to duty in OST on April 9, 2001. The first major task for the Project Manager is to develop the detailed plan requested by the Committee. Preparation of the plan will be preceded by a period of consultation by the Project Manager with a wide variety of interested parties and by consultation with one or more technical experts on statistical sampling techniques.

The detailed plan, to be provided to the Committees, will include a phased approach, starting with an assessment of the sampling issues and then developing one or more potential methodologies that can be tested. This is a complicated effort that will take a considerable period of time.

About $10 million is available this fiscal year to plan the sampling project. The fiscal year 2002 budget request for OST includes $7.5 million to continue efforts to develop and implement a statistical sampling plan. We believe that the conceptual approach of examining issues and methodologies, evaluating results, and only then proceeding with full scale sampling, should that be warranted, assures the Congress that the funds for this project will be used prudently.

Question. What steps are you taking in the near future to get this jump started?

Answer. The Senior Project manager has been hired and the Department is currently working on the development of a plan to present to Congress on the historical accounting of IIM accounts. This plan will present how we will conduct the accounting, the methods we intend to use, what it will cost, and how long it will take. The plan will include alternatives and options considered on scope, methodology, costs, and timing. In developing the plan and overseeing the historical accounting, we will hire contractors to provide expertise in accounting and statistics not available within the Department. It is estimated that the plan will not be submitted to Congress for review and approval until early in fiscal year 2002.

Question. What are the projected costs for the statistical sampling approach?

Answer. The cost to complete the Project is unknown. A very rough cost estimate, based primarily on experience with some plaintiffs' records in the *Cobell* case, was derived using some initial, preliminary assumptions as a starting point:

—Assume a sampling of 350 accounts. This number might be understated given the difference in records systems from year to year and agency to agency, as well as the availability of records and east of accessing them.

—Assume a cost ranging from $50,000 per account (those more recently opened) to $200,000 per account (the approximate cost of the Cobell account analyses).

—Under these assumptions, the project costs could range from $17,500,000 to $70,000,000 (excluding DOI contract development and management expenses).

These are rough approximations, based on limited (although intensive) experience with records production. The Special Trustee or Department will have a better idea as we move through development of the plan.

Question. As Special Trustee, how have you engaged in oversight of the TAAMS process? Have you had a chance to review the company that is building the TAAMS software? Please tell us a little bit about this company, who they are, and are you satisfied with the company's stability?

Answer. The Special Trustee and staff engage in continuing oversight of the TAAMS project. The Special Trustee has met with officials of the development contractor, Artesia, which is a company that provides well respected products and services in the private market. The firm competed and was selected as successful bidder on the contract in accordance with the Federal procurement process. The Special Trustee does not have any information regarding their financial or business stability.

Question. Not only BIA and the Office of Special Trustee are charged with the trust reform activities. Minerals Management Service, Bureau of Land Management and the Office of Hearings and Appeals are also involved. This requires everyone to work as a team.

Please describe how you ensure that all of the agencies efficiently coordinate and communicate with each other to ensure that the Department meets the deadlines that it has set in the quarterly reports that it files with the Court.

Answer. Within the Department, the Trust Management Improvement Project Steering Committee meets twice a month to address status and issues associated with trust reform and improvement projects and to establish strategic direction. The Steering Committee is chaired by the Special Trustee and consists of the Assistant Secretary for Policy, Management and Budget; the Deputy Assistant Secretary for Budget and Finance; the Assistant Secretary for Indian Affairs; the Deputy Commissioner for Indian Affairs; the Solicitor; the Associate Solicitor for Indian Affairs; the Principal Deputy Special Trustee; and the Chief Information Officer. In addition, the Special Trustee has recently designated several members of the Special Trustee's staff to be project liaisons and to work with the project managers to monitor progress and issues on each project. These liaisons will meet with project managers during the cycle of preparation of the Quarterly Reports to the District Court.

Question. You particularly have to coordinate with BIA. Have you come up with any ways to make coordination between the two agencies smoother and more efficient?

Answer. The Special Trustee meets frequently with the Assistant Secretary for Indian Affairs and the Deputy Commissioner for Indian Affairs to discuss a broad range of issues and address activities related to trust reform. During the past two years OST/OTFM and BIA have successfully collaborated on several projects:

—OTFM participated in weekly teleconferences between the Deputy Commissioner of Indian Affairs and her staff and the Director, OTFM, and her staff on a variety of issues.

—OST/OTFM has participated with BIA on the TAAMS project and has sent several personnel to Dallas on numerous occasions.

—OTFM has provided a staff member to participate in the field Users Group and the Probate Teams.

—OST/OTFM has worked with BIA in the development of a joint Interagency Procedures Handbook. The handbook is now being reviewed in a draft status.
—OTFM has assumed the printing previously done by BIA in Albuquerque (Checks, Explanation of Payments (EOP's) and IIM quarterly statements, and 1099 INTs).
—OTFM has assumed the reporting of ISSDA checks to Treasury that was previously done by BIA in Albuquerque.
—OTFM's senior management participated in BIA's Line Officers' meeting at the request of BIA.
—OTFM staff participated in the drafting of the new CFR regulations and attended the consultation meetings.

Despite problems, both BIA and OST are committed to working cooperatively. We are in the late stages of developing a handbook that will specify the responsibilities of each office over the entire range of transactions and functions that affect both BIA and OST (OTFM). This handbook also will specify documentation requirements for each function or transaction so that BIA and OTFM offices throughout the country will have standard guidelines and expectations about how to request and distribute trust funds for Indian beneficiaries.

Question. You testified that you did not agree with some parts of the memo sent to you by Dom Nessi on February 23, 2001. Please outline all of the portions of the memo you agree with, and please outline all of the portions of the memo you do not agree with.

Answer. The Special Trustee disagrees that the relationship between BIA and OTFM has deteriorated, as referenced in the previous question. The HLIP is not built on wishful thinking. Taken as a whole, it is a reasonable blueprint. High level plans, in the Special Trustee's experience, have time-lines, or milestones.

The HLIP projects are not stand-alone projects, and there is coordination though the Special Trustee. There is, however, no line authority for the Special Trustee over a number of the projects. There needs to be along with accountability. The Department is currently reviewing options to address these issues raised by the Special Trustee.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

THE HIGH LEVEL IMPLEMENTATION PLAN

Question. Which of the 6 remaining milestones for Subproject #2, BIA Data Cleanup, can be characterized as accomplishing the terminus of data cleanup and data loading into TAAMS? In other words, at the completion of which task will TAAMS include current information as well as the historical data which is presently being deferred? If appropriate, please indicate whether none of the current milestones are associated with this particular event.

Answer. In milestone I, "Post-deployment data cleanup," all BIA data cleanup activities associated specifically with the TAAMS initiative are scheduled to be completed by December 31, 2003. However, data cleanup and data management will remain on-going activities as part of the normal operating procedures.

Question. Has the Department made any effort to develop a total cost for completing data cleanup and loading? Please provide that estimate or describe the process that is in place to develop this cost and when this process is project to be completed. If appropriate, please indicate that there is no process in place to determine the cost.

Answer. We have no estimate for the total cost of data cleanup at this time. There will be far more direct data entries, rather than data transfers from the legacy systems, than originally planned. The data cleanup process is underway in all title plants where the electronic records have been deemed sufficient to "cleanup." The extent of cleanup activities in each BIA Region is not easily estimated until the contractor has actually been on-site and had an opportunity to review the precise condition of the electronic data and supporting paper records. Answer. The data cleanup effort is a long and challenging task with many components. The BIA and OST each are responsible for a data cleanup subproject, as noted in the revised HLIP. The subprojects are aimed at ensuring that data housed in existing or new systems are accurate and complete, and at eliminating transaction processing backlogs to ensure records are up-to-date—particularly land ownership information and records. OST's data cleanup project entails standardizing and verifying IIM system data for trust financial records, and correcting and establishing an inventory of hard copy records for each trust fund account. Progress has been made on several fronts, including completion of a plan to resolve and cleanup Special Deposit accounts in January

2001. Also, the plan for the Revised Management Coding project, which outlines the steps necessary to review and correct the code discrepancies, was completed in December 2000.

BIA's trust records cleanup projects involve ensuring accurate land title and resources management information. This project relates directly to the TAAMS projects and this effort will be coordinated with the eventual deployment of TAAMS at each implementation site. For land title records, there is over a century of data that must be addressed. Even offices with relatively good automated data have "lapses" in their databases where a span of years is not complete. In most cases, there are paper records available to develop automated data. Assembling title data is not easily accomplished. The data must be entered into TAAMS in the exact order that it would have occurred chronologically in order to ensure the proper building of ownership and chain-of-title. It takes experienced data cleanup personnel to perform this task. Performing data cleanup on the remainder of the electronic records requires that anomaly reports be produced and that discovered anomalies be researched and corrected. This process is underway in all title plants where the electronic records have been deemed sufficient to "cleanup." The BIA data cleanup effort is concentrating its data cleanup efforts to correspond with the TAAMS deployment schedule for Group A.

In some title plants, electronic data either does not exist or is in too poor condition to migrate to TAAMS. The records in these instances are being reentered in their entirety. For leasing records, very few Regions have sufficient electronic files to migrate to TAAMS. Those that do are being cleaned up using anomaly reports and performing the necessary research. Those that do not will have all currently active leases entered directly into the system to ensure a high rate of accuracy from the onset.

Regarding the BIA data cleanup project, the Principal Deputy to the Special Trustee is to set up a work group to validate the existing statement of work, assess the direction of the project, and to provide recommendations on future management, direction, priorities, schedules and funding for the project.

Question. Will TAAMS include functionality in addition to the Title Portion and Realty Functions? If it will, please provide a list of the additional functionalities. When will the Department reference the effort to include additional functionality in the Quarterly Reports? Will this include milestones for these development efforts?

Answer. The land title, record, and leasing functions representing the core of TAAMS is planned to be completed in June 2001. However, TAAMS will undergo continual design changes as new modules are added, additional features are included and as the system evolves to reflect changes in statutes and regulations. TAAMS is scheduled to be completely deployed and implemented throughout the BIA and required Tribal sites by the end of fiscal year 2003. After implementation of the title and leasing modules, other major modules to be added include appraisals and for probate functions. At present, the design effort is completed for appraisals and is underway for probates. Once design of the leasing is complete, the contractor will develop a programming schedule for the appraisal module. These development milestones will be included as appropriate in the quarterly report to the Court.

Question. Which of the HLIP subprojects and tasks can be characterized as providing for the establishment of internal controls and a functionality for accounts receivable? Are there specific milestones or completion dates to establish internal controls and accounts receivable?

Answer. In the broader sense, many HLIP subprojects address internal control problems in Interior's management of Indian trust accounts: systems; data clean-up; and the supporting efforts in records management, training, policy and procedures and internal controls. However, as the name implies, the Internal Controls subproject is specifically designed to provide a continuing oversight presence to ensure that: (1) adequate internal controls are put in place, and (2) internal control problems previously identified and corrected do not re-occur. The Internal Controls subproject has specific milestones and tasks necessary to implement a continuing trust risk management program.

The TAAMS subproject is charged with designing and implementing a modern, standardized accounts receivable module and process for future Indian trust operations. However, the TAAMS subproject plan currently does not have identified and published milestones relating to development and implementation of an accounts receivable system. A schedule and milestones for development of this function will be determined following the management decision in the summer of 2001.

MANAGEMENT AUTHORITY AND MEASURING PROGRESS

Question. In answer to my question you indicated that the real issue is not one of funding, but of management. Yet, Mr. Lamb and others seem to think that resources and staff is the key to resolving these issues. Would you care to comment?

Answer. Yes. There is no conflict in these two views. The development, implementation and enforcement of consistent business practices are mandatory to the success of trust reform. The Special Trustee is concerned that we ensure that the management teams on these projects have the capacity and management resources to bring these projects to a successful conclusion. The Special Trustee has stated that it is not solely a question of funding. He believes that it is a question, as well, of providing the appropriate additional management expertise and leadership. The Department is addressing this management concern. As stated by Mr. Lamb in the hearing, the 1999 National Academy of Public Administration's study, "A Study of Management and Administration: the Bureau of Indian Affairs" documented the staffing deficiencies in the BIA as compared to other agencies with similar responsibilities. With funding provided by the Congress in 2001, the BIA is making progress toward addressing the concerns raised in NAPA's study. The Special Trustee strongly endorses the additional funding and staffing increases proposed for BIA trust activity in the President's 2002 Budget.

Question. You cited the "inter-dependency" of the trust reform elements as a challenge that must be met in order for trust reform to be undertaken. Given this interdependency, is there a need to have, in essence, a "Trust Reform Tsar" over all elements within the Department of Interior to coordinate and manage these elements? Is a legislative approach to this issue warranted?

Answer. As it stands, the Special Trustee believes the responsibility is not clear and is too diffuse. There are five line operations and several Departmental staff and offices involved in trust reform, as well as several offices responsible for HLIP projects. Accordingly, the Department is reviewing options to strengthen the Special Trustee's oversight and accountability for HLIP subprojects.

A legislative approach is not warranted. The Department feels that the authority provided in the Reform Act is sufficient to address the management responsibilities of trust reform.

Question. On March 30, 1992, the Assistant Secretary for Indian Affairs responded to a draft GAO report with the statement that "in the last two years reorganization, additional staffing, training, integration of investment systems, and strengthened internal accounting procedures have led to improved accounting practices." (June 1992, GAO/AFMD–92–38) In addition, while the Department agreed that substantial improvements were warranted, it made a commitment to make such improvements including "better internal control processes and improved accounting and records systems." Based on the Assistant Secretary's representation to the GAO in 1992, the Department has been engaged in trust reform efforts for at least eleven years.

In your testimony you indicated the U.S. was "moving in the right way" on trust reform. How much longer should Congress allow the Department to attempt to reform itself before Congress begins to actively consider and perhaps implement alternatives for the management of trust resources?

Answer. While it may seem like progress has been slow, as the Department has stated in the past, the practices of the past 150 years cannot be easily corrected. Through the trust reform effort and the ongoing implementation of the HLIP, it is clear that much work has been done, and several notable successes achieved. For example, the Trust Funds Accounting System has been implemented nationwide and has replaced dated legacy systems for administering trust accounts. Likewise, certain data cleanup efforts—OST's IIM file jackets and BIA's appraisal backlog reduction—have been well executed. In the Policies and Procedures area, publication of the Secretary's Trust Principles and the BIA's trust regulations are notable. Progress has been made in improving records management and an internal control and risk management program is being implemented. A nationwide program to provide non-systems training to the several thousand Interior and relevant Tribal employees engaged in trust management has been initiated. The BIA's efforts, assisted by the Indian Land Consolidation Act Amendments in 2000, in dealing with fractionated interests, through purchase of small property interests is also progressing well.

Given the wide variety of projects and tasks, setting a final date for completion of trust reform is not feasible. While several projects have completion dates of 2004, other projects' final completion dates are currently up for review. Some aspects, such as developing the Trust Fund Accounting System, have moved from "project" status to "implementation" or "operational" status. Over the next year or two we

will see many more efforts make a similar transition. Some projects, such as the cleanup of data and probate backlog reduction activities, will likely continue for several years. Our commitment is to move promptly, but carefully, from project to operational status. Remember also, that as new technology becomes available, these options must also be explored to improve operations.

Question. After the final trust-related regulations were published, a number of drafting, technical, and substantive errors were identified, especially with respect to the Probate Regulations. Senate staff were assured that these matters would be addressed and the testimony provided to the Committee included similar assurances. What process and time-frame will the Department use to fulfill this commitment?

Answer. Preliminary discussions have been held with the Senate staff and the National Congress of American Indians (NCAI) with regard to technical amendments to the probate regulations. The process and time-frame have not yet been decided, but meetings are being scheduled to agree on a process.

ACCOUNT BALANCES AND THE "SAMPLING V. MODELING" DEBATE

Question. You indicated that settlement talks with the *Cobell* plaintiffs broke down in November while a consent decree was being drafted. What, in your mind, were the reasons underlying this breakdown?"

Answer. To produce a settlement, all parties on both sides of an issue have to reach closure. Unfortunately, this was not able to be achieved last year. Beyond that, I cannot speculate because of the ongoing litigation in which we are involved.

Question. Mr. Lamb indicated that it cost the U.S. $20 million to generate an "index" of documents to be produced for the plaintiffs pursuant to court order. These documents include only the 5 named plaintiffs and their predecessors in interest. Do you believe that given what will probably be an astronomical amount of federal money for the remaining 300,000 to 500,000 plaintiffs that a fair and accurate settlement is what is called for at this point in time?

Answer. Mr. Lamb indicated that $20 million was used to plan the document production effort, implement the search for records; and collect, image, index, and produce these documents. The 159,384 documents, comprising 385,421 pages, were collected for 5 named plaintiffs and 31 agreed upon predecessors in interest and involved a total of 109 tracts. Even though all the accounts records may not be retrievable, the costs will be significant for all accounts to be reconstructed. Consequently, when the Special Trustee was first confirmed, he initiated efforts to settle this case. The Department believes that this case should be settled based upon the best accounting information we can obtain within reasonable limits of time and costs, subject to Congressional approval.

Question. What assurance can the Department provide to Congress that the statistical sampling method will even be admitted as evidence in *Cobell* v. *Norton* based on the Supreme Court's test in *Kumho Tire Co.* (U.S. Sup. Ct. 1999)? Does the Department agree that the Federal court's in *Cobell* v. *Norton* have expressed some level of skepticism about the proposal to use statistical sampling in this case? For example, when the Court of Appeals stated:

It remains to be seen whether in preparing to do an accounting the Department takes steps so defective that they would necessarily delay rather than accelerate the ultimate provision of an adequate accounting, and the detection of such steps would fit within the court's jurisdiction to monitor the Department's remedying of the delay.

Answer. The Department does not agree that either the Court of Appeals or the District Court expressed skepticism about the proposal to utilize statistical sampling as part of the historical accounting. The Supreme Court's decision in *Kumho Tire Co.* v. *Carmichael* relates to the reliability of expert testimony and the factors a court can consider, in appropriate district court proceedings, when deciding to admit expert testimony. The Department does not believe that *Kumho Tire* would apply to the historical accounting effort because that is an administrative decision subject to limited judicial review under the Administrative Procedures Act.

Question. Is the Department willing to allow independent review of its statistical sampling method, for example by the General Accounting Office or the Justice Department Office of Legal Counsel, before spending resources on this method? Is the government willing to consider economic modeling in place of or in addition to statistical sampling?

Answer. In developing the statistical sampling method, the Department intends to consult with and obtain advice from a broad range of experts, stakeholders, and affected parties. We expect to have a full review of the statistical sampling plan within the Department of Justice. Further, because the plan must be submitted to the House and Senate Committees on Appropriations before commencing a full sam-

pling project, we anticipate consulting with the General Accounting Office as the plan is developed and seeking their review of the plan.

At this point, no approaches or methods have been ruled out for determining how to do the accounting. We will review and consider economic modeling approaches and their applicability to the IIM accounting.

Question. What assurance can the Department provide Congress that the statistical sampling method can be used as a basis for negotiating with the plaintiffs in *Cobell* v. *Norton?*

Answer. The Department is committed to exploring a statistical component of the historical accounting. We expect that the information and results generated by the sampling project can be used to help establish historic IIM balances and will be immensely useful in resolving the Cobell litigation. However, the Department cannot give assurances about what plaintiffs may accept as a basis for settlement negotiations.

Question. In your testimony before the Subcommittee, you indicated that one problem with utilizing the "economic modeling" method for arriving at a settlement figure is the lack of complete records of transactions. Why is this not also a problem for utilizing a sampling method?

Answer. The problem for any method, whether an economic model or a statistical sampling approach, will be the availability of the transaction records from which to construct a model or select a sample. Although the Department has not received a copy of or detailed information relating to Plaintiff's version of economic modeling, our initial understanding of economic modeling is that it addresses opportunities and uses of allotted lands and resources. Modeling may go beyond the obligation to perform an accounting for the IIM beneficiaries. As we look toward a possible settlement, we see opportunities to examine modeling and sampling approaches.

Question. You indicated that a reasonable settlement figure could combine elements of both the "sampling" approach and the "modeling" approach. Can you explain this in greater detail?

Answer. Again, although the Department has not received Plaintiff's version of economic modeling, our understanding of economic modeling is that it considers whether Indian allottees and their heirs received comparable value when their lands were leased for income generating activities like grazing or for consumptive uses like oil and gas production. This raises the question "what could the income have been" instead of "how did we account for and disburse the income." The former question is beyond the scope of the Cobell litigation, and the issue of an accurate reconciliation of the IIM accounts.

For purposes of the litigation and the obligations on the Department, we believe the statistical sampling is an appropriate component of determining the historical IIM account balances. Sampling does not preclude the accounting from considering what might be learned from economic modeling and the underlying assumptions in the modeling. Nor does this view prevent the Federal government from considering modeling during settlement discussions.

Question. In your testimony you indicated that more than 50 percent of the HLIP milestones were met. Can the percentage or number of milestones met for each subproject—or for the HLIP as a whole—be used as a measure of the extent that the subproject is complete? For example, subproject #2, BIA Data Cleanup, the Department's Quarterly Reports indicated that the BIA has completed 5 or 45 percent of the 11 milestones for this subproject. By any standard, other than the number of milestones completed, is this subproject 45 percent complete? Can the Department estimate what percentage this subproject is complete?

Answer. As a general statement, it is difficult to judge HLIP project completion status entirely through reviewing high level "milestone" completion. Not all milestones are equal in effort, work and time required. Due to the wide variety of the work required in the various subprojects, the Department is not able to issue a blanket statement on percentage completion. In some cases, the documented milestones are sufficient to indicate status and completion, setting out the tasks and work chronologically. And, while a few projects envision a continuing effort, work that will extend beyond the "trust reform" phase as it's commonly known, there are cases where the project plans documented in HLIP 2000 either do not provide sufficient milestones, or do not completely reflect the actual work needed or in process. To account for this difficulty in communicating by percentage the level of completion of the trust reform effort, the Department has used the Court-mandated Quarterly Reports to provide narrative updates on the progress of the trust reform projects.

Question. I remain concerned that, even in the absence of identifying discrete balances in Indian accounts, the rates of return now being earned on Indian money is unacceptably low.

Answer. The statute that prescribes the investment which OTFM can invest Indian funds is 25 U.S.C. 162(a), (c) and (d). Only insured bank deposits or debt instruments of the U. S. Treasury, and certain U. S. Government Agencies, are suitable for investment of Indian Funds. There is absolutely no provision for investment in corporate bonds or equities (common stocks) which historically have produced much higher rates of return than fixed income U. S. Government debt instruments, which are considered risk-free investments. Therefore, the rates of return now being earned on Indian money are the highest that current law will allow, but, certainly, in the absolute sense, lower than can be obtained from investing in risky securities (corporate bonds and common stock). The statute controls, and OTFM is precluded from producing rates of return other than what is afforded from the most conservative of investments available in the current investment market place.

Question. Can you identify those tribes that have chosen to withdraw and manage their own funds?

Answer. Two Tribes, Mescalero and Delaware, have made partial withdrawals, and two Tribes, Navajo and Citizen Band Potawatomi, have made total withdrawals under the 1994 Act.

Question. Can you identify which, if any tribes, have returned any of those funds?

Answer. None of the four tribes have returned any of the withdrawn funds.

Question. Can you identify what assistance the Department provides in assisting and facilitating tribal withdrawals under the 1994 Act?

Answer. OST works with the tribes directly, or with chosen fund managers or advisors, in completing the applications for withdrawal. OST works with any tribe seeking to withdraw funds. OST also clarifies for Tribes and fund managers regulatory requirements and the approval review process, and reviews submitted information to advise the submitting Tribe of basic acceptability of the proposals. When necessary, the advice of the DOI Solicitor's office is requested.

Question. Can you identify any necessary legislative or policy changes that will ensure that tribal withdrawal provisions of the 1994 Act are working as Congress intended?

Answer. It is the Department's view that the provisions of the law with regard to withdrawal is working in accordance with the law. Therefore, the Department does not believe that any legislative or policy changes are necessary.

SUBCOMMITTEE RECESS

Senator BURNS. Thank you very much, that concludes the hearing. The subcommittee will stand in recess until 10 a.m., Tuesday, April 24, when we will meet in room SD–138 to hear from the Secretary, Department of the Interior, Gale A. Norton.

[Whereupon, at 11:16 a.m., Wednesday, March 28, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, April 24.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2002

TUESDAY, APRIL 24, 2001

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:10 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.

Present: Senators Burns, Campbell, Byrd, Leahy, Reid, and Dorgan.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

STATEMENT OF HON. GALE A. NORTON, SECRETARY OF THE INTERIOR

ACCOMPANIED BY:

ANN R. KLEE, COUNSELOR TO THE SECRETARY

JOHN D. TREZISE, DIRECTOR OF BUDGET

OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. The hearing will come to order. It is a great pleasure to welcome Secretary Norton to the committee to testify in support of the Department of the Interior's fiscal year 2002 budget request. I think we all look forward to getting to know you, and to working with you as you address some of the many complex challenges that your Department faces.

The Department's budget request this year looks somewhat different than the last several administration requests, and appropriately so.

There are, without question, pressing fiscal needs on Federal lands, in Indian country, and throughout the Department's many bureaus. But it is clear that the 12 percent annual increases requested in recent budgets would not be sustainable over the long term.

President Bush's budget proposes more modest growth for most Interior programs, with some substantial increases for certain priorities identified by the President during his campaign.

I think you will find, Madame Secretary, that there is broad agreement on this committee that the priorities set by the President are important ones.

Increasing the State Assistance program to the level authorized in the Land and Water Conservation Fund Act will be highly popular.

Further escalating our attack on the National Park Service maintenance backlog is something that we absolutely have to do.

Many members of this subcommittee, Senators Domenici, Dorgan, Campbell, and I in particular, are very pleased that the President's budget sustains this committee's commitment to the construction and repair of Indian schools. We will do our best to provide for these and other priorities identified by the President.

But I think you will also find, Madame Secretary, that members of this committee are deeply concerned about some of the reductions that have been proposed in this budget, in large part to make room for the President's priorities. Funding for Payments In Lieu of Taxes, PILT, is one of those examples that is troublesome to most of us. I am sure you will hear about it from several of my colleagues today.

We hope you will work with us throughout the year and find appropriate balance among all of these competing interests. In the end, it must be our common goal to produce a bill that is fiscally responsible, but also provides the resources necessary to protect our parks, our public lands, and to carry out our trust responsibilities to Native Americans.

Thank you for joining us today, Madame Secretary. I, for one, am grateful to see a fresh face before us. This is my first time chairing this committee and, of course, your first time in the appropriations process.

PREPARED STATEMENT

Now, I am joined today by the ranking member, the distinguished Senator from West Virginia, Senator Byrd.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

It is a great pleasure to welcome Secretary Norton to this committee to testify in support of the Department of the Interior's fiscal year 2002 budget request. I think we all look forward to getting to know you, and to working with you to address the many complex challenges that your department faces.

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Thank you for joining us today Madame Secretary. I, for one, am grateful to have a fresh face and a fresh perspective at the witness table in my first year as chairman of this subcommittee.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Thank you, Mr. Chairman.

Let me say with regard to the fresh face, Mr. Chairman, your predecessor was one of the finest Chairman that I have ever served with on a subcommittee, but I have no doubt that you will be as well.

Senator BURNS. You will have to coach me.

Senator BYRD. No, I will not. You will not need any coaching from me.

But I will enjoy working with you. It is a pleasure to have this opportunity to join with you in welcoming the Secretary.

Madame Secretary, I know that you have worked hard to prepare for this event. I know that we have problems which we will need to work together on. I look forward to working with you, and I join the chairman in welcoming you to the subcommittee this morning.

Thank you.

Senator BURNS. Senator Campbell.

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thank you, Mr. Chairman.

I welcome my friend and colleague from Colorado, Gale Norton. Gale has provided leadership on public lands issues for a good number of years in our State, and I was delighted that she was appointed as the Secretary of the Interior.

This budget honors, as you have mentioned, Mr. Chairman, commitments to Native Americans. It empowers States and local communities and our citizens by working with them, and not directing from the Washington hierarchy as we have seen in the past.

Some are probably going to say that this budget has been cut too drastically. It has got about 3.4 percent less money in it than we had last year, as I understand it. But then last year's budget had some extraordinary growth in funding, too.

I guess I, like many, have never quite understood how a moderate rate of growth is called a cut, but that is Washington legalese as you probably know by now, Madame Secretary. We have some land acquisition requests. I would like your continued commitment and funding on that.

I have some questions dealing with water on the Animas LaPlata Project that you are aware of, and the Black Canyon of the Gunnison which was just upgraded to national park status last year. That I will ask, too, when the time is appropriate.

But I did want to thank you particularly for trying to hold harmless the Indian programs. In fact, there is a moderate increase in the 2001 enacted levels. And the President's priorities in law en-

forcement, education, construction, land and water settlement, and trust reforms are extremely important.

And while I mention that, I was interested in reading a very recent article, that you are named by a plaintiff as a new defendant in the trust fund debacle. You just got here, were not a party to that at all, but all I can say is: Welcome to Washington, and I am sure you will work your way through that.

Thank you for appearing here.

Senator BURNS. Thank you, Senator Campbell.

Secretary Norton, nice to have you with us today and hear your testimony. If you would want to shorten it up, your full testimony will be made part of the record, and we will get into the question and answers. But welcome today, and we look forward to your statement.

Senator REID. How about me, do you mind if I——

Senator BURNS. Oh, I am sorry. I did not even see you come in. I am deeply struck——

Senator REID. I will bet.

Senator BURNS [continuing]. By the attendance of the Minority Whip, Senator Reid of Nevada.

OPENING STATEMENT OF SENATOR HARRY REID

Senator REID. Mr. Chairman, thank you very much. I would ask my full statement be made part of the record.

But I disagree with my friend from Colorado, who I have worked so closely with over the years, that I do believe there are cuts in this that really are harmful and far below what was in the budget last year. In fact, there are a number of Nevada programs that are cut completely out of the budget, programs that I think are in keeping with what we are trying to accomplish in this country.

Nevada is almost 90 percent owned by the Federal Government, and we have programs that are extremely important to the State of Nevada. We have one program that has been funded now for 8 years, dealing with biodiversity of the whole Great Basin. We believe as a result of that work that major problems have been circumvented by not having new listings of endangered or threatened species. I think that is so important.

I think we proved in the State of Nevada that you can have a major listing and still have growth with the desert tortoise. And I think the work that we did there is exemplary in determining what habitats should be. In short, we will get into more specificity at a later time.

I would ask, Secretary Norton, that you take a very close look at the biodiversity program that has worked so well. I would also—we have a cutthroat trout program which has also been eliminated in the budget that has been submitted, and I think it is clear that efforts to prevent the decline of species pays dividends especially in the long term.

I believe that Federal agencies have a responsibility to help recover endangered species, especially in States like Nevada that have almost 90 percent of it owned by the Federal Government.

So I would ask that you direct your personal attention to the Nevada Biodiversity Initiative which, by the way, started out of Stanford University. They are studying the Great Basin and they

moved that—started jointly with the University of Nevada. And then it all became part of the University of Nevada.

So I would hope that you would take another look at this, that the whole administration would, to ensure that this important work continues. Otherwise, with Nevada being, for the last 10 years, the fastest growing State in the union, it is going to throw a State that is 90 percent owned by the Federal Government into chaos, because we literally have prevented probably one species a year from being listed.

So, Mr. Chairman, I have, as I said, a full statement. I would ask your permission to have it be made part of the record. And I will reserve some questions that I have for the Secretary at a later time.

Senator BURNS. Thank you very much, Senator.

SUMMARY STATEMENT OF HON. GALE A. NORTON

Senator BURNS. Secretary Norton, thank you for coming this morning.

Secretary NORTON. Thank you very much, Mr. Chairman, members of the committee. It is a pleasure to appear in front of you this morning to describe the President's budget proposal for the year 2002.

I would like to begin by introducing the people who join me at the table today. Ann Klee is working directly with me as Counselor to the Secretary. And she may be familiar to many of you from her time as general counsel with the Senate Environment Committee.

Also with me is John Trezise who is the Department's Director of Budget.

This subcommittee plays a crucial role in providing the resources to carry out the mission of the Department. I look forward to working closely and collaboratively with you as we deal with issues over the coming months and years. We need to protect the great wild places of this country and the environmental treasures that are entrusted to the Department of the Interior.

During my confirmation hearings I spoke about what it means to be a compassionate conservative and a passionate conservationist and that those two concepts are very complementary. This is a budget that is compassionate in the way it protects the environment and conservative in how it spends taxpayers' money and gives local people more control over the lands they know and the lands they love.

Overall, the Department's budget that is appropriated is approximately $10 billion. This subcommittee has the lion's share of that. The Department requests $9.1 billion in appropriations from this subcommittee for fiscal year 2002.

This is the second largest budget in the history of the Department. The 2001 fiscal year was a spike in our budget as it was for many other departments. The 2001 budget was 20 percent above the fiscal year 2000 budget. This year's budget request is 17 percent above the 2000 budget.

The Department's budget has grown rapidly over the last 3 years, outpacing inflation and the overall rate of discretionary spending. During this period, Interior's budget grew by 23 percent.

The 2002 budget contains this growth while still providing robust spending.

LAND AND WATER CONSERVATION FUND

Let me highlight four major initiatives in this budget. The first of those is the Land and Water Conservation Fund. This is the first time that the executive branch has proposed fully keeping our commitment to the States through this fund. It provides $450 million to the States and $450 million to Federal agencies.

On the Federal side, this would also include $60 million that would go to enhance habitat and for other activities on private lands to encourage private landowner cooperation.

The $450 million on the State side is an increase of $360 million. This would allow the States to have more flexibility to address their own recreation and conservation needs. These funds can be used by the States to address their most pressing needs, whether it is for conservation programs or recreation habitat protection or urban parks. The point is to give States greater flexibility in deciding on their priorities.

Our new approach to the Land and Water Conservation Fund includes, as I mentioned, programs that would assist private landowners. That includes a $50 million incentive program that would be operated through the States to provide incentives for landowners to enhance habitat on their property. And it would also include $10 million of private stewardship grants that would be awarded directly by the Federal Government.

The landowner incentive concept is an idea that came from the President's experiences in establishing a similar program in Texas. It offers landowners positive incentives to protect rare species and restore habitat while still being able to carry on farming and ranching and other activities.

With the $390 million Federal portion of the Land and Water Conservation Fund, a new emphasis will be placed on input from affected communities. We plan to pursue easements and land exchanges. As an alternative to the Federal Government buying property outright as its first approach, we will certainly pursue Federal acquisitions where it is necessary and where there is strong support from the local communities.

NATIONAL PARK SERVICE MAINTENANCE BACKLOG

The second priority is the National Park Service backlog, and I have recently begun the process of visiting the national parks to deal with them as the landlord and caretaker. I have to say my experience is a little different than when I visited as a tourist. Now I visit the parks and see things like the rotting wood in some of our buildings or the peeling paint, or the situations where the septic systems are not doing the work that they should.

This proposal would provide $440 million, an increase of $100 million, to maintain historical structures, visitor facilities, safe trails, clean water, and well kept campgrounds in our national parks. This is part of the President's overall proposal to deal with the National Park Service maintenance backlog over a 5-year period.

The budget also includes $50 million for the natural resources challenge within the park system. This is a 66 percent increase over last year. This increase will allow us to really deal with the environmental aspects of our parks, with the scientific aspects, so that we can fund on-the-ground restoration work, including the management of non-native or invasive species.

INDIAN EDUCATION

The third priority in the President's budget for the Department of the Interior is Indian education. During the campaign, the President pledged to leave no child behind, including no Indian child. The budget proposes a two-pronged approach to bettering Indian education by improving the physical facilities in which children learn and enhancing the learning that occurs in classrooms.

One-fifth of the buildings in the BIA school system are more than 50 years old. Serious deficiencies pose real threats to students' health and safety and make it more difficult for students to learn. The budget includes $293 million for education construction and maintenance, including $128 million to replace buildings at six Indian schools.

LAND USE AND CONSERVATION BALANCE

The fourth initiative in this budget addresses the need to balance land use with conservation. This Department manages nearly one out of four acres within this country as the members of this committee well know. Management of these lands plays an important role in ensuring domestic energy security at the same time as providing important opportunities for public recreation.

The budget requests an increase of $7 million to accelerate land use planning. These plans ensure that there is public involvement in deciding the proper mix of authorized activities and multiple uses, from energy to recreation, for our public lands. With this increase, the Bureau of Land Management will be able to assess, revise, or amend 42 natural resource plans.

The budget also includes $15 million to increase the BLM's mineral activities, and a $7 million increase for MMS work in the Gulf of Mexico to ensure that our offshore programs keep pace with the Nation's need for energy.

WILDLAND FIRE MANAGEMENT

Before concluding my remarks, let me touch on the issue of wildland fire management. We are moving aggressively to ensure that the increases last year provided for firefighting are being used effectively to strengthen our wildland firefighting capability and to begin reducing the tremendous fuel load within our wildland areas. Our budget continues and sustains these efforts in light of the experiences of last year, the worst fire season in 50 years, with 93,000 fires covering 7.4 million acres.

INDIAN TRUST REFORM

Let me also touch on the issue of trust reform. We are looking closely into the Indian trust reform issue to ensure that the Department continues to make management improvements. As I have

learned more about that budget and about the problems we face, I am struck by what tremendous obstacles we need to overcome, and we will work to ensure that those are a very high priority for the Department.

We have recently reached agreement with Judge Lamberth that we will have a court-appointed monitor working with the Department on its activities to move forward. We believe this will be beneficial to the Department as well as to Congress in providing objective information about those processes.

One final note: As we go forward with management of the Department, we are faced with the difficulties that arise from not having our full team in place, and I look forward to working with you.

We are trying to move as quickly as possible in getting our appointees to you, and then we look forward to working with you as the Senate confirms the appointees for the Bush administration.

Thank you very much for this opportunity to talk with you and to explain the budget. I look forward to working with you.

[The statement follows:]

PREPARED STATEMENT OF GALE A. NORTON

I am pleased to be here today before the Subcommittee on Interior and Related Agencies to present the fiscal year 2002 budget for the Department of the Interior. I appreciate the opportunity to highlight a number of important initiatives and to answer questions that you might have.

CONSULTATION, COMMUNICATION AND COLLABORATION IN THE SERVICE OF CONSERVATION

For several months, I've been explaining what it is to be a compassionate conservative and a passionate conservationist. The Department's 2002 budget exemplifies these concepts. It's a budget that's compassionate in the way it protects our environment and conservative in how it spends taxpayers' money and gives local people more control over the lands they know and the lands they love.

This budget supports our efforts to conserve and manage the great wild places and unspoiled landscapes of this country, that are the common heritage of all Americans. Using consultation, communication, and collaboration, we will forge partnerships with interested citizens and ensure success in our effort to conserve America's most precious places. We can achieve this while maintaining America's prosperity and economic dynamism, respecting constitutional rights, and nurturing diverse traditions and culture.

BUDGET OVERVIEW

The budget outlines actions that make the government more accountable for how it spends taxpayer dollars and for achieving results. This budget emphasizes the importance of working in partnership with States, local communities, and the private sector. The budget pays down our national debt, sets aside a contingency fund for future needs and emergencies, and provides broad, fair, and responsible tax relief.

The 2002 budget for the Department of the Interior proposes important initiatives that fulfill the President's commitments and support the goals that he and I share. Within our budget you will find increased resources to support high priorities, including conservation of America's wild places through innovative environmental partnerships. The budget proposes the revitalization of the State portion of the Land and Water Conservation Fund, and the establishment of new landowner incentive and stewardship programs to help individuals protect imperiled species, enhance habitat, and conserve fragile land. The budget supports our shared goals to eliminate the National Park Service backlog over five years and improve natural resource management. The 2002 budget seeks resources that will enable us to achieve real results for every Indian child and upholds the President's commitment to leave no child behind, by investing in repair and replacement of Indian schools and increasing funding for school operations.

The budget also funds five recently adopted Indian land and water settlements, maintains a high level of funding to prepare for and suppress wildfire and to treat

forests and range lands to reduce fire danger, and maintains historically high levels of funding for operational programs at national parks, wildlife refuges, and public lands. The budget also proposes management reforms that respond to the President's challenge to create a bureaucracy that is more flexible, creative, and responsive; to bring decision making closer to the customer; while continuing our emphasis on front-line service.

The 2002 budget for the Department of the Interior is $10.0 billion in appropriations, a funding level that is $345.7 million, or 3.4 percent below the 2001 enacted level. To give perspective to this comparison, it is important to note that 2001 appropriations reflected extraordinary growth of 20 percent in funding over 2000 levels, and included substantial emergency and one-time appropriations that need not be continued in 2002. When compared to historical funding levels, the 2002 budget request is $1.4 billion or 16 percent higher than 2000 and $1.9 billion or 23 percent higher than 1999. This budget is the second highest in the history of this Department.

For Department programs that are under the jurisdiction of the Subcommittee, the request for annual appropriations is $9.1 billion, a decrease of $348.8 million below the 2001 level. When compared to historical funding levels, the 2002 budget is $1.4 billion or 17.6 percent higher than the 2000 level.

BUILDING CONSERVATION PARTNERSHIPS

The Department of the Interior has a long and proud history of working in partnership with State, local, and private landowners in the conservation of natural resources. The 2002 budget builds on this capacity and provides new resources and tools to States, communities, organizations, and individuals to take leadership roles in finding innovative ways for conservation in cooperation with the Federal government.

A Flexible LWCF State Grant Program

The Land and Water Conservation Fund was created in 1965 to assure that revenues from offshore resources that belong to all of the people of the United States are used to develop and preserve recreation and conservation benefits. The LWCF has made an outstanding contribution over the last three and one-half decades by protecting America's land heritage and providing recreational opportunities. However, the promise for full funding that was made in the authorizing legislation has not been kept. From 1965 to 1995, funding for State grants averaged only $108 million a year and no State grant funds were appropriated for years 1996 through 1999.

The 2002 budget keeps the promise for a fully funded Federal-State partnership, requesting the authorized level of $450.0 million for State grants, an increase of $359.7 million over the 2001 level of $90.3 million. Amounts that would be allocated to States, the District of Columbia, and the Territories are significantly increased, expanding every State's capability to support our shared goals for conservation. The budget proposes to make $10.0 million available for competitive grants to Tribes, funding tribal participation in this program for the first time.

The 2002 budget also proposes to revitalize the State grant program both by increasing the resources available and by expanding the scope of activities eligible for funding. It allows States flexibility to determine their own priorities in recreation and conservation, and encourages program innovation. Conservation of wildlife and habitat has become a major component of conserving and enjoying our natural resources. In this broadened State grants program, States can continue to use funding for traditional recreational venues such as ball fields and parks. They will also be able to use this funding to protect and enhance habitat for fish and wildlife. The updated LWCF State grant program incorporates the purposes of more narrowly-focused grant programs that support goals including: urban park recreation and recovery, wildlife conservation and restoration, migratory bird habitat conservation, and the conservation of habitat for threatened and endangered species. To enhance collaboration the budget allows States to partner with non-governmental entities to plan State-wide recreational needs, enhance lands that have already been acquired, and to acquire easements.

The 2002 budget proposes $100.5 million for three Fish and Wildlife Service programs to further facilitate conservation partnerships. The request includes: $54.7 million for candidate conservation, threatened and endangered species recovery, habitat conservation planning, and HCP implementation through the Cooperative Endangered Species Conservation Fund; $14.9 million for wetlands and migratory bird conservation activities through the North American Wetlands Conservation Fund; and $30.9 million to enter into partnerships with private landowners for conservation purposes through the Partners for Fish and Wildlife program.

Facilitating Local and Private Conservation

The 2002 budget includes two new programs to promote conservation in the United States. The Fish and Wildlife Service budget proposes $50.0 million to establish a Landowner Incentive program for grants that are competitively awarded and cost shared. Grants provided to States, the District of Columbia, Territories, and Tribes will help landowners protect and manage habitat, while continuing to engage in traditional land use practices.

This initiative is modeled on the successful private lands enhancement program in Texas. This program provides technical assistance to landowners that want to consider wildlife needs in their land use practices. Texas wildlife biologists work with private and public land managers in the preservation and enhancement of habitat for important wildlife species.

The budget also recognizes the importance of private citizens and non-governmental groups in the protection and conservation of natural resources. The 2002 budget includes $10.0 million for a new Private Stewardship grants program that will support individuals and groups engaged in voluntary land and wildlife conservation efforts. This funding will support local community efforts to protect imperiled species, enhance habitat for fish and wildlife, and conserve important resources.

In support of our collaborative and consultative approach, our 2002 budget proposes $259.1 million for Federal land acquisition projects that focus on the use of alternative and innovative conservation tools such as easements, purchases of development rights, and land exchanges. We have made sure that these proposed acquisitions include the input and participation of the affected local communities. For example, the Bureau of Land Management budget proposes $2.0 million to acquire 788 acres of conservation easement interests and 100 acres of fee simple interests to protect scenic and recreational values in the Lower Salmon River Area of Critical Environmental Concern in Idaho. Acquisition of these precious resources has the support of the Friends of the Lower Salmon and the Idaho Department of Fish and Game. By using easements, we can leave the lands in private ownership, while protecting the breathtaking scenery of the river canyon.

PRESERVING OUR NATIONAL PARKS

America is a land of singular beauty and Americans are proud of the many natural treasures within our shores. The President and I believe that a top priority of the Department of the Interior is the conservation of these treasures. The 2002 budget proposes increased funding to conserve the national treasures in our national parks. The 2002 budget includes an increase of $61.1 million in appropriations, coupled with targeted recreation and concession fees for a total of $439.6 million to eliminate the maintenance backlog that is an obstacle to resource protection. We are also providing $20.0 million to restore natural resources, including removal and management of invasive species, in national parks. This initiative will help to restore our parks and ensure a positive legacy of protecting our cultural, natural, and recreational treasures for Americans today and in the future.

Eliminating the NPS Maintenance Backlog

Just as the establishment of the National Park Service in 1916 was an innovative idea, so too are we challenged to devise new and innovative ideas for the management of these national treasures. Today, the Park Service faces challenges that could not have been imagined by the early managers of the park system. More than 285 million people visit the parks annually; visitation this year at Yellowstone National Park alone will exceed the visitation of the entire system in 1916. As the park system ages and visitation increases, the parks' infrastructure is stressed and showing the effects of inadequate maintenance funding.

It is estimated that the current deferred maintenance backlog is roughly $4.9 billion, including $2.2 billion that is attributable to facility maintenance needs funded through Interior and Related Agencies annual appropriations. The 2002 budget proposes funding to begin to reverse the decline in the condition of facilities in parks, requesting $439.6 million to make significant progress in eliminating the $2.2 billion facilities-based maintenance backlog. Annual funding will include $339.6 million in appropriations and $100.0 million in recreation and concession fees. At this funding level the Park Service will address the $2.2 billion deferred maintenance backlog over five years.

The Park Service will undertake projects in the backlog in an orderly process using a five-year plan that prioritizes first the completion of health and safety and resource protection projects. Projects that will be completed with this funding are diverse, including for example: replacement of deficient guardrails at the Blue Ridge Parkway; replacing a failing water line at Petrified Forest National Park; and con-

ducting critically-needed preservation work at the Lincoln Memorial in Washington, D.C.

The balance of the backlog, $2.7 billion, is associated with road, bridge, and transportation projects funded through the Transportation Equity Act for the 21st Century. The 2002 budget defers decisions on increased funding for these transportation-related projects and assumes the existing funding level of $165 million annually through 2003, as TEA–21 is not subject to reauthorization until 2004.

The Natural Resource Challenge

The 2002 budget proposes $49.5 million for the National Park Service Natural Resource Challenge, a program focused on preservation and restoration of the rich natural heritage in the National Park System. For this third year of the program, the Park Service is requesting an increase of $20.0 million in order to improve knowledge of plants, animals, and ecosystems in park units. This infusion of resources will increase the Park Service's capability to understand the potential impacts of habitat destruction, invasive species, pollution, and pressures caused by increasing visitation. The Park Service will continue to work collaboratively with the U.S. Geological Survey and local universities in order to develop strategies to ameliorate threats to natural resources, and implement solutions to resource problems.

KEEPING OUR COMMITMENTS TO AMERICAN INDIANS

One top priority concerns the special responsibilities of the Secretary of the Interior with regard to American Indians. The President and I have committed to uphold the unique government-to-government relationship with Tribes. There is much that needs to be done and that we can do, in partnership with our Nation's Indian Tribes, to improve conditions and provide a more hopeful future. The 2002 budget includes $2.2 billion for BIA, an increase of $65.9 million or three percent over the 2001 level, and a 17 percent increase over the 2000 level. The budget contains substantial funding for Native American initiatives and builds on increases provided last year for school construction, Indian education programs, and trust management improvements.

Building Better Schools In Indian Country

President Bush has pledged to "leave no child behind." To accomplish the goal, we must improve the schools that serve nearly 50,000 children. The BIA, through its management of 185 Indian schools, is one of only two agencies in the Federal government directly responsible for an elementary and secondary school system. In 2002, BIA will fulfill the President's commitment to improve education in America by implementing a two-pronged approach improving education facilities and enhancing school operations.

One-fifth of the buildings in the BIA school system are over 50 years old, and half are more than 30 years old. Due to age and inadequate maintenance, many schools have serious deficiencies that pose real threats to the health and safety of students and faculty and make it difficult for students to learn. These schools have leaking roofs, peeling paint, overcrowded classrooms, and inadequate heating, cooling, and ventilation. The 2002 budget includes $292.5 million for education construction, including $122.8 million to construct replacement buildings at six schools and $5.0 million for planning and design of future replacement schools.

The six schools slated for funding in 2002 are the highest priority based on BIA's priority ranking list. Funding will be used to replace: educational facilities at the Polacca Day School in Arizona and the Ojibwa Indian School in North Dakota; school and dormitory facilities at the Pascal Sherman Indian School in Washington; dormitory facilities at the Holbrook Dormitory in Arizona and the Wingate Elementary School in New Mexico; and new classroom facilities at the Santa Fe Indian School in New Mexico.

The education construction budget also includes $161.6 million for facilities improvement and repair, an increase of $13.6 million or eight percent over the 2001 funding level. This proposal will fund deferred and annual maintenance needs, major and minor repair projects to address health and safety concerns, and program deficiencies at educational facilities. The President has established a goal to eliminate the current repair and maintenance backlog by 2006. With this funding, we will make significant progress towards achieving that goal.

Learning: A Life-Long Journey

Providing safe schools is only the first step in improving educational opportunities for Indian children. One of BIA's strategic goals is to provide quality educational opportunities from early childhood through adulthood, helping to instill a desire for life-long learning. The 2002 BIA school operations budget proposal of $504.0 million

includes a program increase of $9.1 million. This funding will be used at schools operated by BIA, as well as at schools operated under contracts or grants to Tribes and tribal organizations, to ensure that schools maintain accreditation; have access to textbooks, computers, and other vital learning tools; have adequate teaching staffs; and can provide transportation. Individual schools and school boards at the local level make the final decisions on how best to use these funds.

The 2002 budget maintains funding of $12.2 million for the early childhood development program, including the family and child education program and the therapeutic residential model program. The family and child education program involves parents in the critical early stages of their children's education, improves adult literacy, and teaches parenting skills that help improve children's readiness for school. The therapeutic residential model program is an intensive, hands-on program that focuses attention on Indian youth attending boarding schools and helps them to achieve positive changes in attitude, behavior, and academic performance.

In addition, the 2002 budget proposes $39.1 million for operation of the 25 tribally controlled community colleges. This is an increase of $1 million for these colleges that serve a vital role in furthering Indian education beyond the high school level and building critical job skills.

Resolving Land and Water Claims

Settlements of land and water disputes resolve long-standing claims made by Indian tribes and are the outcome of negotiations between the Tribes, the Federal government, and other interested parties. The settlements reflect the Federal government's commitment to fulfill its promises to the Indian community. The 2002 budget includes $60.9 million, an increase of $23.5 million, to fund ongoing settlements and five recently authorized settlements. The budget requests: $6.3 million to complete the Federal commitment for direct tribal payments in the *U.S.* v. *Michigan* Great Lakes joint Tribal-State-Federal consent decree on fishery resources; $6.0 million for the Torres-Martinez settlement in California; $2.0 million for the Santo Domingo settlement in New Mexico; $5.0 million for the first payment for the Shivwits Band of the Paiute Indian Tribe of Utah; $8.0 million for the Colorado Ute settlement to settle claims on the Animas and La Plata Rivers in Colorado. The budget will continue to fund the Rocky Boy's settlement at $8.0 million and the Utah Ute settlement at $24.7 million.

Fulfilling Trust Responsibilities

For more than 150 years, the Department has been responsible for managing assets in trust for American Indian Tribes and individual Indians. The management of trust funds and administration of leasing activities continues to be an important responsibility and is an essential service to foster opportunities for Tribes and individual Indians. The 2002 budget upholds commitments made to institute sweeping changes in the management of trust assets. Trust management reform efforts focus on correcting deficiencies; improving and implementing new trust management and financial systems; and sustaining accomplishments to ensure that trust management problems do not recur.

A total of $110.2 million is requested for the Office of the Special Trustee in 2002, including $73.0 million for trust management improvements under the Department's High Level Implementation Plan. Activities that will continue in 2002 under HLIP include: replacing BIA's land records system with the Trust Asset and Accounting Management System; reforming the probate and appraisal program; curing decades-old records management deficiencies; providing training on trust systems; and developing comprehensive and consistent policies and procedures. Continued implementation of these management reforms will resolve decades old trust fund management issues, improve accountability, and help to meet the Department's trust responsibilities to Tribes and individual Indians.

The 2002 budget includes $11.0 million for the fourth year of the Indian Land Consolidation program to expand land acquisition activities and continue implementation of the Indian Land Consolidation Act Amendments of 2000. This will support activities including: consolidating fractionated interests into more useable and leasable parcels of land; reducing the administrative burden associated with fractionated ownership; and reforming probate by establishing uniform rules for the descent and distribution of interests in allotted lands.

The 2002 budget proposes $118.4 million for BIA trust-related services. This includes an increase of $12.0 million for additional staff and resources for critical trust services programs that have been historically under funded and understaffed, such as real estate services, probate, appraisals, and land titles and records programs. These increases will help BIA to continue to improve performance in meeting responsibilities in managing revenue-generating lands held in trust for Tribes and

allottees. The program increases will further timely and accurate processing of real estate transactions and appraisals; increase capability to keep pace with growing probate workloads; help keep land records current; provide additional resources for tribal courts to address the increased court caseload; support background investigations of employees and contractors who manage trust assets and records; improve management of natural resources on trust lands; and improve information resource management and trust records security.

BALANCING USE WITH CONSERVATION

Federal lands administered by the Department of the Interior play an important role in ensuring domestic energy security, supporting economic development, and providing important opportunities for the public to experience the Nation's natural heritage. As stewards of public lands and resources, the Department must balance the development of mineral and energy resources with environmental protection. The 2002 budget proposes program increases totaling $22.1 million for BLM and $14.7 million for MMS to support this balanced approach.

Onshore Energy and Minerals Programs

BLM manages leasing and development for energy and minerals on onshore lands that produce approximately five percent of annual domestic oil production and eleven percent of domestic natural gas production. BLM's management of energy and mineral resources, including 50,000 oil and gas leases, are an important part of the Nation's energy program.

The 2002 budget proposes a program increase of $15.0 million for an expanded BLM energy and mineral program. This proposal includes $5.0 million for BLM to identify and evaluate oil and gas resources and reserves on public lands as required by the Energy Policy and Conservation Act of 2000. BLM will work with the Department of Energy, U.S. Forest Service, and U.S. Geological Survey to survey onshore reserves. An increase of $5.0 million will be used to support another lease sale offering in the National Petroleum Reserve—Alaska and to initiate planning and associated studies in the 1002 area of the Arctic National Wildlife Refuge to support future oil and gas lease sales, if authorized by Congress. The request includes an additional $2.0 million to increase leasing and processing of permits to drill for coalbed methane, and $3.0 million to increase coal leasing and other mineral development on Federal and Indian lands, and to address increased workload for land and realty processing of rights-of-way.

Consensus Building with Land Use Planning

BLM land use plans govern the management of pubic lands and are the primary tool for building consensus and incorporating public comments in our land and resource management programs. Many of the plans now in use were completed prior to 1989 and need to be updated to reflect current conditions. The 2002 budget includes an increase of $7.1 million to update plans in order to facilitate more collaborative and better decision-making.

Offshore Energy Programs

MMS oversees oil and natural gas production in the Outer Continental Shelf. OCS activities account for approximately 26 percent of annual domestic oil production and 28 percent of domestic natural gas production. To meet the demand for increasing energy production, the budget includes an increase of $7.4 million for MMS' Gulf of Mexico leasing and regulatory program. This increase will allow MMS to be responsive to requests for services in processing permits and the review of development plans. An additional increase of $7.3 million is proposed to acquire a management system that is necessary to support a royalty-in-kind program for oil and gas production on Federal lands. Where favorable conditions exist, taking royalties in kind as an alternative to the traditional method of collecting royalties in value is an innovative approach that may potentially reduce administrative burdens.

MANAGING FIRE

The lessons learned in the 2000 fire season laid the groundwork for our current efforts in the Wildland Fire program. As a result of our past experience, we are focusing on building capacity in preparedness; implementing an expansive fuels treatment program that targets the wildland urban interface; ensuring an adequate fire suppression program at the Federal and local levels; and conducing rehabilitation of burned areas to prevent additional loss and promote land health. In conjunction with the U.S. Forest Service, the Department continues to make significant progress in the implementation of the National Fire Plan. Working in partnership with the Western Governors' Association, National Association of Counties, Tribes, other Fed-

eral partners, and non-governmental organizations, the Department and the Forest Service are developing a plan of action and are engaged in designing a ten year strategy for treatment in the wildland urban interface to protect communities from the threat of fire.

The 2002 budget funds the wildland fire program at $658.4 million, or more than double historical levels for this program. Although this proposal is $318.7 million lower than the 2001 level, a large part of this decrease reflects the elimination of an emergency contingency fund of $199.6 million and $26.8 million in one-time costs for equipment purchases and a specific, targeted research project. The 2002 President's budget continues funding for critical fire program components and includes a $5.6 billion national emergency reserve that will be available to pay for emergency needs, including higher than average wildland fire costs, if needed.

The 2002 budget funds preparedness at $280.8 million. This funds readiness at $252.0 million, or 95 percent of the amounts included in the National Fire Plan, adjusted for fixed costs. This level combined with resources expected to be available from 2001 provides sufficient funding to maintain full readiness in 2002. The budget continues funding for the fire science program at $8.0 million and includes a proposal to fund important research conducted by the U.S. Geological Survey within this amount. A total of $19.8 million is budgeted for 76 high priority deferred maintenance and capital improvement projects.

The 2002 budget proposes to fund fire operations at $367.6 million. Suppression costs are funded at the ten-year average of $161.4 million including an additional $8.3 million to increase fire control capabilities. The 2002 budget continues funding for hazardous fuels reduction at $186.2 million including $111.3 million for fuels reduction in the wildland urban interface. The budget also funds rehabilitation at the ten-year average of $20.0 million. The budget reflects a reduction of $84.8 million from 2001 levels, reflecting a reduction in funding amounts that will be targeted to rehabilitate areas burned in the 1999 and 2000 fire seasons.

Lastly, the budget provides $10.0 million for technical assistance and support for rural fire districts. Funding provided to these volunteer fire departments is critical, as they are often the first line of defense in protecting wildland urban interface areas threatened by fire.

OPERATION OF NATIONAL PARKS, NATIONAL WILDLIFE REFUGES, AND PUBLIC LANDS

The 2002 budget continues funding for the operational programs in the National Park Service, Fish and Wildlife Service, and Bureau of Land Management at historically high levels, maintaining significant funding increases provided in prior years and allocating an additional $69.1 million for uncontrollable cost increases. Funding for these operational programs in 2002 totals $3.2 billion, an increase of 2.4 percent over 2001 levels, and an increase of 12.7 percent over 2000 levels.

RESTORING THE EVERGLADES

The President's 2002 budget invests significant resources in the long-term restoration of the South Florida ecosystem, requesting $37 million for the Corps of Engineers and Department for implementation of the Comprehensive Everglades Restoration Plan authorized by the Water Resources Development Act of 2000. An additional $183 million is proposed, government-wide, to continue ongoing construction, research, and land acquisition activities associated with restoration of the ecosystem. The South Florida/Everglades ecosystem is a national treasure. Restoration of the Everglades continues to be a top priority for the Department.

The Department's 2002 budget includes $122.8 million for South Florida/Everglades restoration activities. The 2002 budget proposes an increase of $5.7 million for CERP implementation to provide technical assistance and expertise in the planning, design, construction, and adaptive assessment of restoration projects constructed by the Corps. The budget includes $27.4 million for acquisition to support restoration, including $15.0 million for a matching grant to the State of Florida. A total of $39.2 million is proposed for the Modified Water Deliveries project.

ENDANGERED SPECIES LISTING

The 2002 budget proposes a total of $8.5 million for the endangered species listing program, a 34 percent increase over 2001, and a 37 percent increase over 2000. This increase will help return balance to the listing program, enabling the U.S. Fish and Wildlife Service to protect species that are in decline, respond to citizen petitions to list new species and designate critical habitat for species that are already listed.

However, because a flood of court orders requiring FWS to designate critical habitat for hundreds of species threatens to consume the entire listing budget in 2002 as it has in 2001, the budget increase will not be enough by itself to restore this

balance. In fact, after complying with existing court orders to designate critical habitat for 2001, FWS does not have any remaining resources or staff to place new species on the list of threatened and endangered species or to respond to citizen petitions to list new species. In short, because of the lawsuits, FWS currently does not have an effective listing program.

The prior Administration requested Congress place a cap on the listing program beginning in 1998, and this Administration is asking Congress to continue the cap. The reason for the cap is to ensure that FWS can maintain an overall endangered species program that not only includes listing new species and designating critical habitat but also undertaking recovery programs, working with States, landowners, and others to conserve species before they require listing, consulting with Federal agencies where required by the Act, and delisting species when they have recovered. Absent the cap, courts might require the Service to take funds from other endangered species activities to designate critical habitat. If this were to happen, the imbalance that currently plagues the listing program would spread to the entire endangered species program.

The President, therefore, is continuing efforts begun by the last Administration to break this gridlock and get back to the important business of protecting imperiled species. We are asking Congress to concur that funds be spent on listing actions that provide the greatest benefit for species at risk of extinction. This proposal would not change any of the underlying substantive requirements of the ESA, but would allow the FWS to use its resources to protect the species that are in greatest need of listing. The Service hopes to engage the public and interested groups in a dialogue on the development of a prioritization system, and then to put the resulting priority system out for public review and comment this summer.

We recognize that this proposal has resulted in considerable controversy. While the problem is real and needs to be addressed, we would welcome the opportunity to work with this Committee and other interested Members/Senators to craft a solution that meets with wide approval.

GOOD GOVERNMENT

The 2002 budget begins to shape the Department in a manner that supports the President's vision for a government that is active but limited, citizen-centered and not bureaucracy-heavy, results-oriented and not process driven, and market-based in order to promote innovation and competition. The budget proposal slows the growth in staffing, reflecting a reduction of more than 1,700 FTE below levels originally planned for 2001. The budget identifies streamlining savings that total $57.3 million that will be achieved through reductions in organizational layers, contracting efficiencies, lowered grade levels, management downsizing, and elimination of extraneous positions.

CONCLUSION

In conclusion, the 2002 budget provides strong support for Interior's programs and for the men and women who carry out our mission. Further, it provides expanded opportunities to work with our constituencies involving them to a greater degree with expanded consultation, communication, and collaboration. As we expand their involvement, we can increasingly benefit from their creativity and capacity to innovate and thereby increase our effectiveness.

I was reminded very recently that we can accomplish more by working together and building partnerships across ideological and political boundaries. Three weeks ago, I helped to release five endangered California condors back into the wild, achieving something that was once thought to be impossible. The captive breeding effort and subsequent reintroduction of the condors into the wild was made possible by collaboration with State, local, and private organizations.

This concludes my overview of the 2002 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

Senator BURNS. Thank you, Madame Secretary. We appreciate your statement very much. And I think most of us that live in the west—we're also geared up to have another very bad fire season this year because our moisture situation is not very good, at best.

ENDANGERED SPECIES LISTINGS

One of the areas in the budget request that catches the eye more than anything else is the $2.1 million request for the listing program under the Endangered Species Act. Additionally, the President has requested that Congress modify the legislative language that puts a cap on listing.

Could you explain how the administration plans to use the additional $2.1 million for listing and explain why the administration believes that the language for the cap on the listings should be modified?

Secretary NORTON. As I began talking with the career people throughout the Department who are in charge of administering programs, I learned from them about some of the difficulties, and this was one that we identified.

The listing portion of the Endangered Species Act administration focuses on drawing the lines for the critical habitat as well as putting species onto the endangered list. The concern is that that part of the program is not as important for the actual recovery of species as some other aspects of the program. It might crowd out the other aspects that are the ones that really focus on making changes to enhance habitat and improve the plight for the species.

The prior administration had taken the step of containing that budget and putting limitations on that process. We increased the amount of money that is available within that budget, but continued the approach of having a limitation on that.

What we also heard was that the priorities were being set by court orders. It was like an emergency room where patients were treated not on the basis of the seriousness of their problems, but on the basis of the date of their court dockets; and so we were in effect treating hang nails when we were letting heart attacks go untreated.

We proposed to put in place a listing process or a prioritization process that will be based on the needs of the species and deal with that in that respect.

PAYMENT IN LIEU OF TAXES

Senator BURNS. Another area in this budget where you have cut $50 million back is on the Payment In Lieu of Taxes. As you well know, some counties in the west are completely dependant on public lands and on those PILT monies for the services provided by county and government.

While I agree with much of your budget, there are a number of details that concern me. For example, last year we reached a compromise of around $200 million to fund PILT. Now, that is not fully funded, by the way. You have taken another $50 million away from that to lower it down to $150 million. And as a former county commissioner, I note those things.

So, should we look at this reduction as a policy stance on the part of the administration regarding the merits of PILT, or as a result of a shortfall in the budget and the monies available?

Secretary NORTON. Well, as a westerner myself, Mr. Chairman, I certainly understand the importance of PILT and what that means to communities. I would like to continue to move toward full

funding in future years, but within the overall budget constraints necessary for 2002, this was not possible.

I do note though that we are moving toward more decentralization of our funding and that the funds that are being supplied to States through the Land and Water Conservation Fund are the kinds of things that will allow us to have more State control of the funding.

Senator BURNS. Secretary, we have been joined by Senator Dorgan of North Dakota.

Senator, do you have a statement, because I am going to Senator Byrd next?

Senator DORGAN. Chairman, I will withhold and make a statement during my time for questions.

Senator BURNS. Senator Byrd. Thank you very much.

ABANDONED MINE RECLAMATION PROGRAM

Senator BYRD. Madame Secretary, I am concerned about the proposed funding levels for the Abandoned Mine Reclamation Program administered by the Office of Surface Mining. This is an environmental restoration effort which is effectively self funded because of the Federal tax placed on every ton of coal mined in this country.

Over the past quarter century, since the enactment of the Surface Mining Control and Reclamation Act in August of 1977, the AML fund has accumulated more than $5.8 billion. And while Congress has appropriated $4.3 billion of that, the fact is that $7.7 billion worth of identified mine clean-up work remains to be done.

In my State of West Virginia alone, $626 million worth of the highest priority reclamation work has not been funded. And yet, despite the obvious and well documented needs that exist all around this Nation, your Department's budget would slash AML funding by 38 percent from the current level of $171 million down to $124 million.

Would you please tell the subcommittee why the AML program, which by all accounts is extremely successful, is being subjected to a 38 percent cut?

Secretary NORTON. Senator Byrd, I do remember having the opportunity to talk with you in your office about the AML program and other issues of concern to you. This is, in part, a reflection of the Health Benefits Program that we discussed.

$97 million of the difference in the funding is because of funding that was provided last year from that fund, not for the abandoned mine land activities, but for health benefits. And I understand that is an important issue that needs to be——

Senator BYRD. Are you talking about the conbined benefits fund? That money is coming out of the interest on the principal. Yes?

Secretary NORTON. Yes.

REDUCTION IN AML FUNDING

Senator BYRD. But why do we have a 38 percent cut?

Secretary NORTON. That is because the previous year's budget included health benefits as part of the funding.

As to health benefits, I certainly hope that that will be resolved in the more ordinary course of business by the Senate.

On the enforcement side, the current level of funding, first of all, has been increased for the regulatory activities of the Office of Surface Mining.

We do see a cutback in the Abandoned Mine Reclamation Fund. That is a program that we continue to support. This will allow us to restore 6,000 to 7,000 acres in 2002.

Senator BYRD. The 38 percent cut, is that coming out of the principal?

Secretary NORTON. I'm sorry?

Senator BYRD. Is it coming out of the principal? The combined——

Secretary NORTON. Yes. Payments are from the principal.

Senator BYRD. Can we offer some explanation for the people who are forced to live near these unsafe and hazardous abandoned mine sites, why the administration is gutting the one Federal program geared toward solving a problem?

Secretary NORTON. We look forward to continue working with the States on dealing with those problems, and to look at how we can better operate our programs. We are looking at how we can prioritize our activities and enhance the management of that fund.

Senator BYRD. Well, we look forward to doing that, but aren't we putting the States at a disadvantage and the program at a great disadvantage when it sustains a 38 percent cut?

Secretary NORTON. Senator, there are many important and good programs, and as we look at trying to bring under control the level of increase within our spending and at paying down the national debt——

Senator BYRD. I understand all that.

Secretary NORTON [continuing]. We do need to look at some of these cuts.

Senator BYRD. And I am for paying down the national debt, but we are also going to have over $1 trillion tax cut that the President is proposing.

STAFF. $1.6 trillion.

Senator BYRD. $1.6 trillion, and what I am interested in is this AML program. And I am going to do what I can to keep you from subjecting that program to a 38 percent cut. I do not think the justification is there.

What you are telling me, in essence, is we have got to make these cuts in order that the President might have his big tax cut. Now, I am not saying I am against any and every tax cut, but I am certainly against a tax cut of this size and especially when programs like the Abandoned Mine Land Fund are going to have to provide the monies to make up for the cut.

Secretary NORTON. Senator Byrd, let me just put this in perspective in terms of what this means for the program.

Senator BYRD. I wish you would.

Secretary NORTON. We are looking at a very similar level of number of acres that we expect to be treated under the program, 7,200 to 8,600 acres compared to 6,000 to 7,000 acres in the 2002 budget. The funding request will continue the program at a fairly similar level, and we look forward to working with the States to ensure that those monies are spent as wisely as possible.

Senator BYRD. Well, that still does not answer the question as to the real justification for making such a cut in the AML program. This is a self funded program because of the tax paid on every ton of coal that is mined throughout this country.

And I think you have to come up with a better justification than you have thus far. I say that most respectfully, but I am going to be watching this fund, you can be sure. And I am not so sure you are going to get a 38 percent cut in it.

How much time do I have left?

Senator BURNS. Well, we have everybody on the honor system today, Senator.

Senator BYRD. Well, I am very much for the honor system. What is that?

Senator BURNS. Whenever your conscience goes to hurting.

Senator BYRD. Well, I will wait——

Senator BURNS. We can keep within 5 minutes but, you know, it is kind of one of those things that you have control of more than I.

Senator BYRD. Yes. Well, thank you. I am sure I have taken my 5 minutes, so I will pass to the next one.

Senator BURNS. We have been joined by Senator Leahy of Vermont.

Senator, do you have a statement or shall we just continue with the questioning and——

Senator LEAHY. I think because I am late, I will put my statement in the record, but when it becomes my turn, Mr. Chairman, I do have some questions I want to ask.

Senator BURNS. And your statement will be made part of the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

Madam Secretary, welcome and thank you for your presence today to let this Subcommittee know of the Interior department's budgetary plans for public lands and natural resources. I am sure you know that I consider your agency to hold the greatest responsibility for, and accountability to, the protection and conservation of our nation's most precious lands and open spaces. With clear authority for active and visionary conservation of millions of acres of grazing lands, wildlife habitat, recreational sites, and waterways, your agency holds in its budget priorities the real future of millions of acres of publicly-funded lands.

And you, Madam Secretary, are now one of this nation's leading voices deciding that future. We all know of your sensitivities to private landowner needs. I share many of those concerns and believe we have seen the success of voluntary, incentive-based partnerships between the federal government and private landowners created and enhanced by the last Administration.

And I also hope that this next year will be the first of many for you to show this Congress your leadership not only on private lands initiatives, but also in public lands conservation. I hope you will carefully hold the line on those who would exploit publicly-funded lands for short-term, private gain.

Places such as the majestic Denali National Park in Alaska, the historic Pelican Island National Wildlife Refuge in Florida are national treasures. They are sources of great national pride, managed carefully by hardworking staff at Interior and onsite. All are faced with less than adequate budget resources each year as visitors to the sites continue to increase. I hope you will strive to make real progress, set a real vision, and put real budgetary resources towards the long-term conservation and protection of our nation's treasured land, resources, and wildlife.

I am pleased that this Administration is paying close attention to the importance of the Land and Water Conservation Fund in the fiscal year 2002 budget—especially the stateside land conservation program. In fiscal year 2001, Vermont forests and parks will use stateside LWCF grants to repair hundreds of much-used and much-

loved public facilities, from soccer fields to nature trails. The fiscal year 2002 increase in stateside funding is a step in the right direction.

Yet I do have concerns with the programs this Administration is promoting under the authority of LWCF—many of which are not in the original authorization language of the fund and which decrease the funds available for public lands protection. I have been a strong and consistent supporter of fully funding LWCF programs, and for the other programs you are calling "LWCF" in fiscal year 2002—but these programs should not be combined in this budget without full and fair explanation that the original LWCF is not truly being funded.

I do commend you, Madam Secretary, for your budget's recognition of the importance of the Silvio O. Conte National Wildlife Refuge as unique lands that should be carefully managed and protected. Spanning four states and the entire Connecticut River watershed, the Silvio O. Conte National Fish and Wildlife Refuge holds numerous wetlands, forests and rivers used by hunters, bird-watchers, and recreationists alike. Two years ago, the Department of the Interior and the U.S. Fish and Wildlife Service helped Vermont facilitate a unique federal, state, and local partnership in the Nulhegan that conserved 133,000 acres in the northern part of the state. Vermont communities are now looking forward to bringing in national visitors with a Nulhegan-based Visitor Education Center, the design and planning of which should take place with funds appropriated in fiscal year 2002. Your agency's continued support of Vermont's efforts to protect lands of regional significance for future generations, and to provide facilities for national and international visits to these sites, is much needed and greatly appreciated.

Given this type of successful federal-state partnership to conserve public lands, I also hope your agency will rethink its budgetary cuts to programs such as the Payment In Lieu of Taxes, or PILT, program and its commitment to fully funding the Refuge Revenue Sharing Fund, or RRSF. Created to offset the tax-base loss when lands are conserved with public funds, both PILT and RRSF are critical to helping local communities afford long-term commitments to publicly-funded land and resource protection. Last year's increase to PILT funding finally upheld a long-standing federal promise to send more funds to local communities interested in conservation. Without full PILT funding, our nation is turning its back on commitments to communities and states and purposefully setting up public lands for failure. These programs need your support.

Also needing your immediate support are scientific programs unfortunately cut at the United States Geologic Survey, or USGS. In all aspects of earth system science, be it mapping, water quality, geology, wildlife biology, or natural hazards analysis, the USGS is this nation's lead agency. While I have yet to receive a detailed budget justification for the agency, early reports are that the mapping and water quality efforts by USGS have been seriously cut, if not discontinued. I find this alarming given the importance of USGS science to policy-making decisions nationally, regionally, and locally. I am particularly concerned with the possible zeroing of USGS Water Research Institutes funds, the cut of funds to the Geologic Mapping Program, and the lack of funds in the Community/Federal Information Partnership, or C/FIP.

Finally, Madam Secretary, I do appreciate the increase in funds and attention to National Parks made in the fiscal year 2002 budget. The Marsh-Billings-Rockefeller National Historic Park in Woodstock, Vermont, the only National Park located in my state, is already overwhelmed by its own popularity and success after only six years of operation. This park and its Conservation Study Institute (CSI) are both receiving tens of thousands of visitors each year. In addition, the CSI's staff is actively participating in educational outreach for forest and land conservation throughout the country, hosting symposia and teaching workshops with great success. This year, as they did last year, both the park and CSI are bracing for even more visitors and more requests for conservation education outreach. I hope that the Department of Interior will continue to recognize the importance of both this singular National Park within Vermont's borders, and its Conservation Study Institutute, as the fiscal year 2002 budget is finalized.

Again, thank you, Madam Secretary, for being here today. I look forward to working with you, and your agency, to protect and conserve our publicly-funded lands and resources for our citizens today, and for future generations.

Senator BURNS. Senator Campbell.

Senator CAMPBELL. Thank you, Mr. Chairman.

BLACK CANYON OF THE GUNNISON

Madame Secretary, I mentioned in my opening statement the Black Canyon of the Gunnison and the water right dispute that

has come up. I thought that was covered in the bill that we passed last year that was signed by President Clinton, but apparently not.

And it concerns the Park Service's filing for quantification of a reserve water right of the water that goes through the Black Canyon. That filing was done in the waning days of the Clinton administration. There were formal requests to work with the State of Colorado. They did not. And we believe that that claim is going to really wreak havoc with power production, with irrigation, with a Gold Medal Trout Stream, and a number of other things.

Going back to the 1980s, there have been previous attempts to be more realistic than this latest effort, I think. And they just simply have not taken any of the input from the State of Colorado.

I understand there have been 383 statements of opposition that have been filed, including one from the State of Colorado, the Water Conservation Board, one from the state engineer and one from the Division of Wildlife. And I know your Department inherited that, like you have inherited many other things.

But I would like to know if you, since you are going to be in charge of the national parks, too, why did the Park Service ignore those stakeholders in filing that claim? Have you heard at all?

Secretary NORTON. Senator Campbell, I have recently become aware of the claim that was made by the Park Service in the Gunnison. And I have asked one of my top staff people to look into that and to learn more about it, and so we are in the process now——

Senator CAMPBELL. Okay.

Secretary NORTON [continuing]. Of studying that claim that has been made.

Senator CAMPBELL. If you would keep me in the loop and inform me when you find out some information, I would appreciate it.

NPS MAINTENANCE BACKLOG

Let me ask you a little bit about, since we are talking about the Park Service, the maintenance backlog in the parks. How are you going to start that? Is that going to be done geographically? And what types of maintenance will the Department attempt first?

Secretary NORTON. The National Park Service has a priority list for its backlog that is based on health and safety concerns and on the most pressing needs to ensure that we are protecting water supplies and things like that, so that we are not violating the environmental laws, and to make sure that we are in compliance. Those are some things that I think are very important.

It is not being done on a geographic basis, but by priority of what are the most pressing needs from the perspective of the parks' operations.

Senator CAMPBELL. Okay. Thank you.

INDIAN WATER RIGHTS

Let me get back to water, about some Indian water rights. There is a sizeable backlog in outstanding Indian claims and water claims. And one idea that has been proposed informally is that we take those settlements off budget so the programs within the Interior Department do not have to compete with the land and water claims payments. What do you think of that?

Secretary NORTON. I have been very concerned by the way in which we have entered into settlements and then not followed through on some of those settlements. We have a pattern of doing that.

I would like to see that, as settlements are initially reached, we have thought through how they are going to be paid for. Obviously, Congress needs to be in the loop on the settlements, making sure that the commitments of the United States include following through on those things. I do not have a specific mechanism at this point that would accomplish that.

Senator CAMPBELL. No feeling about whether this ought to be off budget or not?

Secretary NORTON. I do not yet have an opinion on that.

COURT MONITOR

Senator CAMPBELL. Last week—along Indian issues, last week a court monitor was appointed by Judge Lamberth. He appointed a gentleman by the name of Joseph Kieffer as the monitor in the *Cobell* v. *Norton* litigation—welcome to Washington—and directed him to report back to the judge.

How do you interpret that appointment?

Secretary NORTON. We agreed with that appointment, Senator. I think it does make sense to have a good flow of accurate information between the courts and the Department. I am planning to meet with him later today, and I do believe that it is important that we have that kind of a dialogue with the courts. Everybody understands that these are difficult issues.

INDIAN LAW ENFORCEMENT

Senator CAMPBELL. Okay. And perhaps one last question, too: We have put a great deal of money into Indian law enforcement, in the tribal courts, in the training and a number of other things. One of my personal interests has always been those things that are somewhat related to law enforcement and working with youngsters.

Can you determine and maybe get back to the committee whether the existing inter-agency initiatives such as GREAT, the Gang Resistance Education and Training Program, are successful in Indian country or not? And if they are, I am personally interested in expanding that. And if they are not, we ought to be looking at some other way of trying to keep kids from going on the wrong side of the law in Indian country.

Secretary NORTON. I will be happy to get back to you with more information on that.

Senator CAMPBELL. Okay. Thank you.

Thank you, Mr. Chairman.

Senator BURNS. Thank you, Senator Campbell.

Senator Reid.

Senator REID. Thank you, Mr. Chairman.

Madame Secretary, when I first met you, I let you know how impressed I was that you got a perfect score on the law school aptitude exam, which rarely happens. I did that so that I would recognize, first of all, that you knew that I knew how smart you are and that, second, that I would let you know that you could not outsmart me.

I did not get a perfect score on the LSAT, Madame Secretary, but I have to be very honest with you. This budget is, I think, headed in the wrong direction. You have the Land and Water Conservation Fund, which was originally set up to allow the Federal Government to purchase environmentally sensitive land. And now you are using it for all kinds of science-based programs and things of that nature, a purpose for which the fund was not intended.

So, I agree with Senator Byrd, there are a lot of programs here that you are going to have to deal with. The Land and Water Conservation game will not cover these programs.

NEVADA BIODIVERSITY INITIATIVE

Now, for example, I mentioned in my opening statement that there has been a Nevada Biodiversity Initiative. It has been very, very good. Dr. Dennis Murphy, who is a Stanford professor, is now at University of Nevada; Dr. Peter Burssard and Dr. Dick Tracy. These are eminent scientists.

I repeat what I said earlier: Their work along with the work of others, including people from your Interior Department, helped develop the Clark County Multi-Species Habitat Conservation Plan. This is a blueprint for continued economic growth, enhanced environmental protection, ongoing improvement in quality of life in southern Nevada. But I think whenever we have a listed species, this is some place we can look to call success.

I mean, for you just to eliminate this and say, "We have the Land and Water Conservation Fund. Good luck," is not going to do the trick especially when your budget cuts also wipe out funding for restoration of the Lahonton cutthroat trout which is designated as a threatened species by the United States Fish and Wildlife Service.

So, I will ask you specifically: Do you agree that efforts to prevent the decline of species pays dividends in the long run?

Secretary NORTON. I certainly do believe that efforts to work on species pay dividends.

Senator REID. And do you believe that Federal agencies have a responsibility to help recover endangered species?

Secretary NORTON. Absolutely.

Senator REID. Okay. Now, I ask you, Madame Secretary, are you familiar with the Nevada Bio-Diversity initiative?

Secretary NORTON. I have learned something about your bio-diversity center, if that is what you are referring to.

Senator REID. Okay. And are you aware of the good work that has been done in Clark County dealing with the multi-habitat conservation that I just talked about, that conservation plan?

Secretary NORTON. I am not familiar with the specifics of that.

Senator REID. Well, I would say that your predecessor thought it was a blueprint for how we should do things around the country. And I would ask you if you and your very limited staff that you have, that we hope will increase soon, would take a look at that and report to me in writing how you think the Clark County Multi-Species Habitat Conservation Plan worked. Would you do that?

NEVADA LWCF FUNDING

Secretary NORTON. will be happy to provide you with that information. The State of Nevada will be receiving a $5 million increase through the Land and Water Conservation Fund, and we would certainly hope that Nevada might see using that funding for this type of activity. And that is what we have in mind, is——

Senator REID. Madame Secretary——

Secretary NORTON [continuing]. Allowing those who really understand those issues firsthand to help prioritize those.

Senator REID. I appreciate that. But let me just say: During my years here, we have used that money to purchase environmentally sensitive land. We have Lake Tahoe which is desperately in need of land purchases. $5 million is a drop in the bucket.

The Federal Government has obligations there for hundreds of millions of dollars of land purchases that we have been doing a pretty good job, but not good enough.

We have, through the Land and Water Conservation Fund, purchased land around Lake Tahoe and Heavenly Valley that was going to be subdivided.

$5 million will not do the trick, I have to tell you, just for the purchase of land that is desperately needed to move into the public sector out of the private sector. So, I appreciate your good thoughts about using the $5 million for this.

And the sad part about it is: With the contacts we have had with your Department, your Cabinet, we find that this $5 million is supposed to be used for everything, and that is what everybody in this committee is going to get, "We have got the Land and Water Conservation Fund. Have at it." But that is not the purpose of the Land and Water Conservation Fund.

When I saw that this administration had funded the Land and Water Conservation Fund, I was elated. I think that is a tremendous improvement in what has been done in recent years. But from what I hear from you, it is not to be used for purchase of land. It is going to be used for science-based initiatives, for funding other programs that have no relation to the Land and Water Conservation Fund as it was originally established.

Secretary NORTON. If we look at what needs to be done from the perspective of not who owns the land, but what happens on that land, one of our proposals is to enhance habitats and to do exactly the kinds of things we do when we purchase land for conservation purposes.

If there is a farm in which the habitat needs to be taken care of by doing away with invasive species and allowing fencing off of some areas to protect sensitive, riparian areas from cattle grazing or other activities, we have the option of buying that farm which might cost millions of dollars, or of providing some fences and the mechanisms to take out the invasive species.

It can be much more cost effective and allow us to protect the habitats in many, many more acres if what we focus on is what needs to be done to protect the property as opposed to purchasing everything to accomplish the Federal goals. What we want to do is be more creative, allow local parties to have more of a say in that.

LAND AND WATER CONSERVATION FUND USES

Senator REID. Mr. Chairman, I will end by waiting for my next round, but say this: We worked very hard to change the Endangered Species Act. I recognize there are some changes that need to be done.

Former Senator Chafee and I and Senator Baucus, Senator Kempthorne, we introduced legislation, and it was compromise legislation, for various reasons. It did not come to the Senate floor.

I understand the problems with the Endangered Species Act, but I go back to the Land and Water Conservation Fund. The Land and Water Conservation Fund was not set up to take care of the Endangered Species Act. We have specific legislation with specific funding to take care of the Endangered Species Act.

If I go to the State of Nevada, we have almost 90 percent of the State which is owned by the Federal Government, and we have certain pieces of land that the Federal Government is obligated to purchase. And the Land and Water Conservation Fund was set up for that.

We got into a lot of trouble. Senator Ensign has led the charge and done an excellent job of developing legislation, of which I assisted, when he was in the House, to change the provisions where we would exchange land. A lot of problems happened. People got in trouble, some criminally, as a result of that, because it was so hard with the rapidly escalating price of land in Nevada to ever set a price that you could fairly exchange it.

But I repeat what I said earlier: The Land and Water Conservation Fund cannot be used as a sop by this administration for everything they want done and that deals with the environment. It will not work. There is not enough money there.

These programs that you are eliminating are programs that have been placed in this bill in this legislation in years past by Senators with great thought and deliberation, and the committees accepted that. So I would hope that you are prepared to take a bill that we are going to report out here that is much different than the one you have given us.

Secretary NORTON. I still believe the Land and Water Conservation Fund, with the flexibility that it provides to the States, and continuing Federal land acquisition where it is appropriate, working at acquisition of easements to be as cost effective as possible. In what we are doing, it is great for the environment in the long run.

Senator REID. I look forward to working with you in that regard.

Secretary NORTON. Thank you. I look forward to working with you.

Senator BURNS. Senator Dorgan.

INDIAN ISSUES

Senator DORGAN. Mr. Chairman, thank you very much.

While I am interested in a lot of subjects dealing with your agency, Ms. Norton, I want to just use my time to speak of one, and that is the issue of Indians.

First of all, thank you for being here. We have clearly a crisis in Indian education, housing and health care. It is clearly a crisis.

I have a letter from a Tribal Chairman in North Dakota, a rather lengthy one.

"Dear Mr. President"—he sent it to the President a year or so ago—"I come from a third world country called Turtle Mountain Indian Reservation." Then he described the conditions of health care, education and housing. And the data and the statistics would represent third world conditions.

I want to mention just about three or four things. Then I want to ask you to comment on what you believe the Federal Government's responsibility is in addressing these issues. This is my framework of reference: We have four reservations in North Dakota. We have a lot of folks who cannot very well speak for themselves, who are put in conditions that are very difficult.

A young girl named Tamara Demaris was 3 years old when she was put in a foster care by a woman who was handling 150 cases. She never checked out the foster home. So, at age 3, Tamara was beaten severely at a drunken party. Her hair was pulled out by the roots, she had a broken arm and a broken nose, and scars from which she probably will never recover. Why? Not enough money was available for someone in whose custody a 3-year-old was entrusted to be able to check out where that 3-year-old was going to be placed.

Sarah Swift Hawk, just south of our border, a grandmother, laid down and died on a cot in a home that had no windows. It was 40 below. The grandmother froze to death.

TRIBAL COLLEGES

We spend $2,000 less per student at tribal colleges than we do other colleges in this country, $2,000 less per student, and we know this works.

A woman in North Dakota was cleaning the toilets in the hallways of a tribal college with four children. Her husband had left her, and she decided she wanted to do more than clean the rooms. The day I spoke at the college graduation, she was a graduate wearing a cap and gown. This works, and yet we dramatically underfund tribal colleges.

The Spirit Lake Nation held a hearing one day and the woman who was in charge of the social services broke down and cried as she described the stacks of files in which sexual abuse and abuse against children had been alleged that were not even investigated.

She broke down saying, "This is my responsibility, but I have to beg even to borrow a car to be able to transport a young kid into Devils Lake to get some help," and then she began weeping.

These are conditions on our Indian reservations. Some of them are dealing with Indian health and I know that is not in your area, although this subcommittee does that. The tribal priority allocations and other issues in education are well within your area of responsibility and we need to do much, much better. It is unforgivable what is happening to those, especially children, on Indian reservations because we have not done our job.

Now, I would like to ask you to respond. Do you not agree that we face almost third world conditions, that we face a full blown emergency in Indian education?

These Indian schools, Madame Secretary, are judged by those who have inspected them to be some of the worst in the country. They are in desperate need of repair, renovation. I could talk at great length about that, but I shall not.

Give me your attitude about what we need to be doing to address these issues on American Indian reservations.

Secretary NORTON. Well, I certainly do understand that many of these schools are in desperate situations, and that the education that we are providing for young people in Indian country is not up to the par that we expect.

This is the responsibility of the Department that I take very seriously. We have 50,000 children who we have a responsibility to educate, and I think that is the first step in trying to really make fundamental changes. That is what we need to do in order to improve the situation there.

The Turtle Mountain School, that I believe is in your area, is in the next group of schools on the priority list, and it is likely for 2003.

I think working to do what we can to help our schools is critical and why the President has made this one of his top priorities. We are increasing the funding—or making sure we have a sustained commitment to the funding in that area. There was only $31 million for school construction in 1997, about a quarter of the $128 million we are up to now. It is a dramatic increase.

It is something I am very concerned about. I am planning to do some visits to the schools so that I can see firsthand the situations that have been described to me.

Senator DORGAN. Well, in fact the increase for these schools have been increasing in the last several years. We have provided some additional resources, but we have a clear emergency here and we are not providing nearly the resources.

I would make the same point my colleague Senator Byrd made. There are conflicting needs and conflicting goals perhaps in the minds of some, but we do have to compare. What are the emergency situations and how do we respond to them?

This is, in my judgment, it is not optional for us when we have a trust responsibility, which is what we have with Indian children. Our responsibility to provide for the education of these Indian children is a trust responsibility, not an option. It is mandatory. And all of us, it seems to me, if we were required to tour a good many of these schools, would hang our head and say, "How on earth could we have let this happen?"

This is not a partisan comment. I say to Democratic and Republican administrations: We have got to do better. This is not an option for us. We have got to put sufficient money in our budgets to do it. And if it is that versus a tax cut or from $1.6 trillion to $1.59 trillion or whatever it is, we need to meet our responsibilities.

I just urge you: Spend some time visiting these reservations and work with us to find ways within this budget framework to make the appropriate choices.

Let me just make one other point. I appreciate the recommendation on Ojibwa and I say to the administration: Thank you for that. We have been working for a long while to get that done.

But we are still short in a wide range of areas. And let me ask you to specifically pay attention to Tribal Colleges. We are $2,000 per student below what is happening at other colleges, and these colleges work and work very well. We need to do much better there as well.

I said I am interested in a wide range of issues. I wanted to focus only on this because I think in so many cases these are people who do not have much of a voice in these matters, and we have a responsibility to provide that voice.

Madame Secretary, thank you again and I look forward to working with you on other issues when we have a chance to have further discussions.

Senator REID. Mr. Chairman, I would ask you now, I ask consent that I might be allowed to join in the comments of Senator Campbell and Senator Dorgan as it relates to Indians and the plight in the State of Nevada.

Senator BURNS. Without objection.

Senator DORGAN. And if I might just say, I did not mention my colleague Senator Campbell, but I should have. He has been just a relentless voice here in Congress with myself and Senator Domenici and others to try to move in the right direction, along with Senator Reid, and so I thank him for his work on this as well.

Senator BURNS. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

Madame Secretary, I am sure you look forward to these hearings with anticipation of one form or another. We are delighted to have you here.

Senator Reid has spoken to you about the Land and Water Conservation Fund, and others and I share his concern. I share his concern about the cuts in the Interior budget. I do not like the idea of taking non-Land and Water Conservation Funds, putting them under the Land and Water Conservation Fund and say, "Now they are fully funded," because it is basically robbing Peter to pay Paul.

ADMINISTRATION'S ENVIRONMENTAL POLICIES

Let me ask you this: In the first 100 days of this new administration, the President has received some serious criticisms concerning his environmental policies, or some would say the lack of those policies.

Among controversial action, he has certainly reversed his campaign promise to cut carbon dioxide emissions from power plants. He has suspended and delayed a rule that would minimize arsenic in ground water. He has withdrawn the United States from the Kyoto negotiations to combat climate change, and we have heard from most of our major allies of their concern.

Now, do you believe these criticisms are unwarranted or due to a failing by the White House in conveying its messages or do these criticisms of the President represent substantive errors in his understanding of the importance of environmental policies?

Secretary NORTON. Senator, it is my understanding that the U.S. Senate has expressed some grave concerns about the Kyoto Treaty

as well, and the burdens that it placed on the United States without placing burdens on the rest of the world in order to——

Senator LEAHY. Should we withdraw from the negotiations because of that, or should we keep on working to make it better?

Secretary NORTON. The administration is in the process of examining options to deal with global climate change. Obviously it is an important issue, and we need to deal with that. The United States should deal with that in the perspective of working with other countries to ensure that everyone carries their share of trying to resolve the issues and not just the people of America carrying the burden that should be shared by the rest of the world.

Senator LEAHY. Does the fact that these other countries are all our NATO allies, for example, are involved in it—are you saying that their involvement means they are not willing to carry their share?

Secretary NORTON. Well, I am obviously not the one who has the lead on negotiating on climate change issues, but let me assure you that the administration is looking very seriously at this issue and we are working to find the kinds of solutions that make sense. But when the U.S. Senate——

Senator LEAHY. Well, do you feel——

Secretary NORTON [continuing]. Had a 95 to nothing vote saying that the Kyoto approach was not exactly the right one, I think it is our responsibility——

Senator LEAHY. Well, do you abandon it just entirely?

Secretary NORTON [continuing]. It is our responsibility to take a second look at that.

Senator LEAHY. It would also probably be the responsibility to say what you are looking at. To say "We will just withdraw," that does not really say you are looking at anything else.

I mean it is like the arsenic in water. It is the carbon dioxide emissions, which was one of the things he got elected on, was in—in that regard, and he has changed that.

But you feel—the criticisms of the President's actions which have been fairly loud and fairly bipartisan, you feel these criticisms are unwarranted?

Secretary NORTON. Absolutely. I certainly believe that this administration has done a good job in responding in a very careful and thoughtful way to what has been put on the table for us. We have seen the past administration essentially govern for 7 years and 11 months with a status quo on environmental issues, and we are now dealing with what they did in the last month and even the last weeks that they were in office. And that has caused us to——

Senator LEAHY. I think considering some of the legislation——

Secretary NORTON [continuing]. Examine a lot of issues again.

Senator LEAHY. Concerning some of the legislation I saw pass, pushed by the administration all during the past 8 years, it is kind of hard to say that they spent 7½ years really doing nothing. I mean there are ways of doing things and ways of not doing things.

The previous administration, they had a commitment to child nutrition and listed ketchup as a vegetable. This one says they are interested in helping health and welfare of the nation as any President would, but suddenly takes a different position on arsenic in ground water.

I raise these points, not in a partisan way because they have been raised by Republicans and Democrats in my State. The concern has been virtually unanimous. Republican-oriented newspapers, Democratic-oriented newspapers, Republican leaders, Democratic leaders, have all said basically what I have said here.

But let me ask you another area, and I would not——

Senator BYRD. Mr. Chairman, would the Senator yield?

Senator BURNS. Of course.

GLOBAL CLIMATE CHANGE

Senator BYRD. I have asked him to yield because I want to join him in expressing concern with respect to global warming. I was, with Senator Hagel, the chief co-sponsors of the resolution that was passed by the Senate, adopted by the Senate by a vote of 95 to nothing on the Kyoto—on the global warming.

Now, Madame Secretary, I was not the chief co-sponsor of that resolution because I am against doing anything about global warming. I am not one of those who is ready to thoroughly disregard the scientific advice that we have been getting over the years concerning global warming. I did not—I was not the co-sponsor because I just wanted to get away from the table and not do anything about it.

As one who has lived 83 years and is well on the way to his 84th birthday, I have seen a lot of changes in this country. I do not have to take it from scientists that something is happening out there.

We are having more floods. We are having more droughts. We are having the melting of the ice around the two poles, the North and South Pole. The water level is rising. We are seeing storms more suddenly come upon us. There is something happening and we ought to be concerned about it.

Now I am concerned. My concern is the administration apparently is going to withdraw from the table.

Senator LEAHY. So they say.

Senator BYRD. Now that concerns me. I hope that is not the case. I think we ought to stay at the table. Now, the resolution we passed was just a warning across—my position in the matter, and I think I generated that resolution, was to put a shot across the bow of the Clinton administration, because it appeared to me that they were going whole hog to get a treaty that I felt would not pass the scrutiny of the U.S. Senate.

1992 TREATY

Now, there was a treaty that was adopted by the U.S. Senate. What treaty was that? It was some years back.

Secretary NORTON. In 1992, I believe there was.

Senator BYRD. All right. And here is what happened. That treaty was adopted when not a handful of Senators were on the floor, did not have a single vote against it. Why? Because there was no vote taken.

It was one of those situations in which the Majority leader or someone calls up the matter in the late hours of the session. We are doing what we call our homework, "doing homework." And it is called up, passed, unanimous consent. Nobody takes a look at it, and that was a treaty.

If they had a vote, it was a voice vote because I went back and researched this. And you can have three people on the floor. If two stand, if the Chair asks for a standing vote, vote by show of hands or by standing, and two stand and one sits, that is two-thirds if nobody challenges it. Now, that is the way that first treaty was passed.

So, I went back and studied that and I thought "We had better let this administration"—in that instance, it was the Clinton administration—"We better let this administration know that they better not send that treaty up here unless they get the countries, the developing countries, to go along." And so that is what we were saying. Now, the developing countries joined at the beginning.

Also, we want to know what the economic results are going to be on big industries in America, coal, steel, whatever. What is going to be the economic impact of such a treaty? That was my shot across the bow, but I did not say we ought to withdraw and get away from the table and show no interest at all.

And I am very concerned if that is what the Senator is indicating is maybe going to happen here. We ought to stay at the table and be a voice at the table.

I thank the Senator.

Senator LEAHY. I agree with the Senator from West Virginia on that. I was one of the ones who voted for his and Senator Hagel's resolution, not because I wanted to withdraw from Kyoto procedure by any means, but to define, sharpen it.

My concern is that the current administration is not just sharpening it or doing the things that our allies, our major industrial allies have done, but rather saying "We want to leave this," some kind of a symbolic thing here. "We will just walk away from the table." It is an easy thing to do, but terribly difficult to explain to future generations.

Secretary NORTON. Senator, let me correct what I think is a misperception, and that is that we are walking away from the table. This administration will be remaining engaged with the world in trying to deal with the issue of global climate change. That is something that we take seriously.

We also need some creativity. We need to have a re-examination of the issues. We need to ensure that what we are doing is based on a thorough understanding of the scientific aspects of global climate change, and that is what we will be pushing for.

Senator LEAHY. Madame Secretary, nobody can disagree with those sentiments of yours of making sure we are doing the right thing, re-examining and so on.

I remember a former director of the EPA who finally had to explain to this committee, this Appropriations Committee, why in her attempts to make sure they are doing—well, she said to "do things right," they would reorganize their enforcement division about every 30 to 50 days, say, "We just want to make sure we get it right."

Well, what they did, of course, was add several years of being able to tell everybody, "We are not going to enforce any laws, any of the environmental laws because we are reorganizing," a sort of "Go ahead and pollute. We do not give a hoot." And that is exactly what happened.

And so I have no question, nor anybody, of examining and re-examining what you are doing, but when re-examining becomes a definition of doing nothing, then we get concerned.

Now, it has only been 100 days and I am not suggesting that is what is happening, but I think that there will be concern, it will be bi-partisan concern here, if the re-examination is done in a way that we do not ever look at what is there.

Let me ask you this, and my time is up, but I will ask you this one question. I will submit the rest for the record.

I do know your reputation is that of listening to both sides of controversial issues, and I applaud that. We have had Cabinet members in different positions in both Republican and Democratic administrations who did not have the reputation of listening to both sides of a controversial issue, and I think the Departments and the country suffered when that happened. So I applaud you for listening to it.

Now, I know that you and a number of other members of the Bush administration want to open the coast of the Arctic National Wildlife Refuge to oil and gas interests. Many of us in Congress, again both parties, oppose that. If the public opinion polls are accurate, the majority of Americans oppose that. I know you have heard arguments on both sides.

Can you tell me: Of the arguments that come to you against opening it, what are the two most compelling arguments you have heard?

GLOBAL CLIMATE CHANGE

Secretary NORTON. Senator Leahy, let me first of all close on the issue of global climate change. You talked about some problems that you had seen in prior administrations, and then I appreciate clarifying that you were not saying that that is what we were doing. And you used the phrase "do not give a hoot" about what is happening. I find that is——

Senator LEAHY. That was back some time ago.

Secretary NORTON [continuing]. Not what we are——

Senator LEAHY. It was at the same time we were hearing about ketchup as a vegetable. It was back in the 1980s, but go ahead.

Secretary NORTON. Yes. We are taking this very seriously. We are looking at an issue where there is not a national consensus on what should be done, and where there is great scientific uncertainty. And we are working hard to move forward with something that will reflect more national consensus and will be based on solid science. And that is our goal in dealing with global climate change.

ARCTIC NATIONAL WILDLIFE REFUGE

As to the Arctic National Wildlife Refuge, I personally visited there. I had the opportunity to stand outside in 75 degrees below zero chill factor and to examine things firsthand.

Senator LEAHY. Were you a little bit concerned that just a few days before you arrived, they found that a very large percentage of the cut-off valves were not working?

Secretary NORTON. That is something that does cause me concern. Obviously we need to have strong, solid enforcement program to ensure that the environmental protection measures that are put

in place are ones that actually operate. That is a cause for concern for me.

I was pleased to see the technology that is in use in some of the areas to ensure that we do have good environmental protection. At the same time, we are exploring for the sub-surface resources, and so I would certainly understand the Senate wanting to take a close look at the environmental measures that might be put in place and would help to do that.

Senator LEAHY. But then my question, before the time runs out, is: What are your two most compelling reasons against it that you have heard?

Secretary NORTON. I think there are some emotional concerns about the protection of the area, and I understand the great deal of concern that people have for preserving wild places. I want to see that we do have strong environmental protections. That is something that I do think we need to ensure.

I also understand the concern of the local people there in having a say in what happens. I mean it is frustrating to talk with people who are there, whose lives are being affected, who are either for it or against it; and the decision is being made many thousands of miles away from where they live. I understand that concern.

Senator LEAHY. Thank you.

Senator BURNS. Senator, would you yield?

You might raise the questions of Kyoto and the questions you are concerned about. Senator, the Secretary of Energy will be before this committee in 2 weeks and I think that is the time to raise the question that you were raising with regard to Kyoto.

Senator LEAHY. I like to get the full picture though.

Senator BURNS. I know.

Senator LEAHY. I want to know all the nuances of the administration.

Senator BURNS. Yes. I know.

Senator REID. Mr. Chairman?

Senator BURNS. Yes.

Senator REID. I would ask you for consent that I have a series of questions I would like to submit to the Secretary and that she would respond to those in the next couple of weeks.

Senator BURNS. Without objection. And she can respond to you and to the committee.

Senator REID. Thank you. That would be fine, be perfect.

FIBER OPTIC LEASE RATES

Senator BURNS. Madame Secretary, last year we spent a great deal of time and effort in slowing the BLM's plans to increase drastically lease rates for fiber optic right-of-way crossings. I Chair Telecommunications over on the Commerce Committee, which is in the next building over.

At the end of the year, we prevented both the Interior and the Agriculture Departments from implementing the final rule that would replace the current linear right-of-way fee schedule. As chairman of the Commerce Subcommittee on Communications, I represent a rural State where these fiber optic lines are very, very important to some of the out-of-the-way places in our State.

I am afraid that what we are advocating on these fees deepens the digital divide, so to speak, that everybody talks about.

Can I have your assurance that any activity by the Department of the Interior to re-evaluate fiber optic lease rates will be fully disclosed to Congress? And additionally, can you assure me that rural interests will be consulted prior to another rulemaking proposal?

Secretary NORTON. I am just beginning to become familiar with that proposal. I know we need to balance getting a fair return for the public on the use of their lands, but I also understand the concerns that rural communities might not have access to telecommunications if we do not do that.

So I will work with you on those issues and let you and other Senators and rural communities know what is happening.

Senator BURNS. This is a very, very important issue, because the ranking member of this committee represents a mountainous State as I represent a mountainous State.

We also understand that distance learning, tele-medicine, all of these communications issues are the key to providing new services and expanded services into isolated areas where we cannot, especially on a two-way basis, interact for things such as distance learning and tele-medicine.

We are going to manage our medical care to our elderly in rural areas in different ways, and a key part of this is fiber optics and broadband services, extended services, etc. So we are very, very much concerned about that.

We know the value of that, and we know that some of these services are going to have to be provided on the backs of the commercial services that are offered there. If they are priced completely out of hand, then we never will get a build-out of those technologies into rural areas and some of the isolated areas of our States. So that becomes a very, very important thing.

U.S. GEOLOGICAL SURVEY REDUCTIONS

The next question I want to ask is in regard to the USGS. You have taken away a lot of money from the Geological Survey, and yet we still have—as was indicated on this committee this morning—we still have some concern about energy. My State is wrestling with an energy crisis like you cannot believe, and our legislature just closed with trying to deal with it. In some areas, I think they dealt with it very responsibly, and maybe in other areas they needed some help.

But when we start talking about geothermal energy, when we talk about the knowledge of our planet in this day and age, I would caution the administration that the cutbacks they have taken are of concern to us. Now, you have taken some of that money and are using it somewhere else, and that is why I asked you about where there are areas where we may have to expand, or what will we have to do. The Abandoned Mine Land Program, that is just as important a program. That is just as important to Montana as it is to Senator Byrd's State.

But nonetheless, our understanding of geothermal energy and what our earth is and what it can be revolves around this particular agency, and we are cutting it back.

Can you give me a specific reason why we would take from that end of this appropriation to shore up some other end?

Secretary NORTON. The Geological Survey has been involved in a broad range of different activities. We are in the process of trying to focus the activities of the Geological Survey to try to have those things that will be most beneficial to us, first of all, in management of the Department of the Interior's resources and in working with States, with universities, and so forth in research efforts.

We have been trying to examine our programs. We will continue to examine programs to try to identify those things that are the most significant and the most valuable.

Some of the activities are ones where the Geological Survey was really providing benefits for others without having the involvement of those people and the financial support of those people in its efforts. We would like to look at cost sharing kinds of arrangements and some other things so that the USGS is not carrying the full burden.

Senator BURNS. I think you have pretty well covered ANWR, and I have two or three other questions that I will also submit to you in writing, and you can respond to me and to the committee if you would like.

ROYALTY-IN-KIND

The Minerals Management Service has been studying the use of royalty-in-kind, RIK, as a way to avoid disputes with lessees over the evaluation of oil and gas, to potentially increase the revenues to the Treasury.

In the fiscal year 2001 Interior Appropriations bill, the Committee expanded the agency's authority to use RIK. What has been your analysis shown thus far when it makes sense—and does it make economic sense to implement RIK?

Secretary NORTON. I have to say I have learned that is a much more complex issue than I thought it was when I first came to office. I looked at it from just the perspective that it is a good approach to minimize some of the complications that arise in trying to value royalties. I still think it has a lot of potential, but I understand that we need to work with a lot of issues.

Senator BURNS. You have expanded—you have added $7 million to implement the program, so I would assume that there are some positives coming out of this that would warrant that $7 million increase.

Secretary NORTON. Instead of trying to figure out the imputed costs and the constructive costs and so forth with a very complex kind of approach, it is much easier I think to just be straightforward and sell natural gas or sell oil on the market and see how much the Federal Government gets from that sale. I think there is some real potential benefit in that, and so it is something that I personally support trying to move forward on.

Senator BURNS. Senator Byrd.

Senator BYRD. I had my chance.

Senator BURNS. You had your——

Senator BYRD. I had my chance, so let him go.

Senator BURNS. Senator Campbell, do you have a couple of others?

Senator CAMPBELL. Yes. I have a number of questions, but in the essence of time, I would like to submit those and ask for those to get back in writing.

I will just ask you a couple, but since everybody has expanded somewhat on ANWR and global warming, I want to put my two cents in, too, Senator.

GLOBAL WARMING TREATY

I can say in a nutshell, the reasons it was 95 with 5 absent was it was a bad agreement, very simply. It would have just devastated the American economy because it would have just crushed our manufacturing base and the energy that comes from States like Senator Byrd's State to use that manufacturing base.

You cannot make a treaty where over 100—in fact, I think it was 110—countries were exempt. Anybody in their right mind ought to know that multi-national corporations, if they cannot do business here, they are going to go somewhere else and do business. If they cannot manufacture here, they are going to go to one of those exempt countries and manufacture there.

So from the standpoint of a global warming treaty, it would not reduce a thing. It would just make less here and more there. But from a global standpoint, we would have had the same number of hydrocarbons in the air. And so I think most of us saw it as a real flawed treaty.

There was a huge loophole in the thing, and so we did not support it. But that does not mean we want to back away from the table, and other Senators have mentioned that already.

DRILLING IN ANWR

From the standpoint of ANWR, I have been up there as you have and one of our Senators—I am sorry he has already left—he mentioned that the polls are opposed to going to do any drilling in ANWR.

Well, I can tell you, polls are skewed depending on how far the wolf is from the door. And gasoline has already hit $2 a gallon in some towns in the United States. When it hits $3 a gallon, you are going to see the polls change. And when it hits $4 a gallon as it is in some countries, there is going to be overwhelming support by poll to drill in ANWR. And when it hits $5 a gallon, there will probably be a march on Washington because we have not done something about it.

So, the polls should not mean anything in this dialogue about if we are going to do the right thing for working Americans.

I might mention from the Native Alaskan standpoint, too, Mr. Chairman, just since it has been on the table here, that the Alaska Federation of Natives supports drilling in that small area of ANWR, as you probably know, Madame Secretary. The only village in the area also supports it. The only village within the boundaries of ANWR also supports the drilling.

And the only native Alaskans I can find that are really opposed to it are the Quinhagaks, most of whom are Canadian citizens, not American citizens.

So I think that we have got a long way to go on that, but I know that when we talk about the energy crisis, it ought to be clear to

anybody that one of the reasons we are in this terrible mess is we have not built a refinery in 30 years. We are dependent on OPEC, and we are giving money now to Saddam Hussein who is shipping more oil over here than he did before the war and he is re-arming with the money we are giving him, American money we are giving him that some day may be buying arms that are going to kill more Americans.

We ought to have enough sense to get away from that. And we cannot if we are not going to use the energy within this country.

And so when we get into these flawed treaties, I tell you what, that is why it was such a huge margin opposed to it. It is not because we did not want to clean up the air; it is because we do not want to be suckers again.

INDIAN EDUCATION

Let me ask you just a couple of questions. Since Senator Dorgan did talk a great deal about Indian education, as you probably know, Madame Secretary, Indian education is a little different area because they do not have a tax base. They cannot—they do not have a property tax base. They cannot raise the mill levy to build a new school. They are totally dependant on the Federal Government to provide money for school construction.

In the President's budget, he said he wanted to leave no child behind, and I agree with that. His request includes $16.5 million more for school operations, and a modest increase of $162,000 for school construction over last year.

But given those numbers, is the Department on track in eliminating the backlog of Indian school facilities by 2006 as the President has indicated he wanted to do?

Secretary NORTON. Yes, Senator. Our plan is to do that. And that is the time period. It looks like the overall amount on that would be $1.8 billion. That includes not just school construction, but other aspects of enhancing education.

Senator CAMPBELL. Okay. I thank you. One thing, too, because I live on a reservation, and I am out there all the time with the chairman of the Indian Affairs Committee, I can tell you that education of Indian kids cannot be viewed in a vacuum.

You can give the best education in the world to a youngster. If there is no job or no place to use that education when he gets done, he is still going to be destitute, and that is what we have on Indian reservations. So we are trying to do a lot of other things in the Indian Affairs Committee to try to help self-determination, by putting things in place where American corporations deal with tribes to try to get some jobs out there for these youngsters when they do get out of school.

TRIBAL CONTRACTING

One of the things we have done is increase the tribal contracting and the compacting to provide the necessary startup in administrative costs associated with managing of a contract. But in the President's budget, there is a small decrease in self governance grants this year.

Does that budget item mark a change in how the incoming administration views Indian contracting?

Secretary NORTON. It is my understanding, Senator Campbell, that there is actually a net increase when you look at the relevant categories that are put together. Well, it is a net increase of $1 million.

Senator CAMPBELL. Okay.

Secretary NORTON. But I will be happy to provide the details on that.

Senator CAMPBELL. Perhaps my numbers are wrong, but I would hope there is, because to me clearly strengthening the Indian economy and the creation of jobs is going to be related to what they do if we can get them the education in the first place.

Thank you, Mr. Chairman. I have no further questions. The other ones I will submit.

Senator BURNS. Madame Secretary, well, most of my questions have to do with the infrastructure on the National Park Service and also restoring some historic spots with regard to those areas, natural resources and some other questions. I will submit those to you in writing.

As we start through this thing and working very closely with Senator Byrd in coming up with a final product—but those are the areas that I was mainly interested in.

On this committee, there are a lot of folks that are in agreement with you, and there are some areas where we have some disagreement, but we will work through those as best we can. We have always done it before. I do not see any reason why we should not do it this time.

Senator Byrd, do you have a closing thought or some questions?

Senator BYRD. Yes, just briefly. Let me say, however, I want to thank you for the courtesy that you have extended to each of us, the fairness with which you characteristically have conducted this hearing and I am sure that the future hearings will be likewise well done.

Also, I want to thank the Secretary for her testimony this morning. West Virginia cannot complain very much with respect to many areas of her budget.

U.S. GEOLOGICAL SURVEY FUNDING REDUCTIONS

I do want to ask just a couple of questions here concerning something the chairman has already touched upon, the U.S. Geological Survey. I am concerned with the 9 percent funding cut being posed for the U.S. Geological Survey. A reduction of this size, some $69 million, would have a severe impact on the USGS budget, and as such, it warrants close scrutiny.

Ironically, the supporting materials supplied by the Department state that your budget, Madame Secretary, focuses, and I am quoting, "focuses resources on core mission programs such as mapping and hazards and those that directly support the Department of Interior's Land and Resource Management Bureaus."

My question: If programs such as mapping and geologic hazards are considered core programs, and you are supposedly focusing resources on them, why are their budgets being reduced? The mapping program is cut by $6.7 million. Geology is cut by $11 million, and biological research is cut by $11.3 million.

Now, how is this focusing resources on these programs? And as you address this issue, or these issues, please tell me what effect such cuts would have on U.S. Geological Survey facilities in my State of West Virginia.

Secretary NORTON. Senator, we are trying to focus within each of the areas on eliminating those aspects of the USGS activities that are duplications of what other departments or other programs are doing, and so that is one aspect of the way in which we are examining USGS issues.

We are also trying to see how those things can be done in a way that will leverage private money and State money and working with other partners on the areas of research so that we can ensure that the other players are involved with their fair share.

My understanding is that as to West Virginia, the primary area impacted would be the Leetown Science Center, and that funding is maintained at last year's levels.

Senator BYRD. Madame Secretary, I thank you very much for your testimony.

Secretary NORTON. Thank you very much, Senator.

Senator BURNS. Thank you, Senator Byrd.

Thank you, Madame Secretary, for coming this morning. And we will submit those questions.

The record will remain open for a week, I suppose, to those folks wanting to make a comment on this budget.

We appreciate your willingness to come and sit and to work out some of these difficulties we had because we have an $18 billion budget here. And we are trying to allocate those resources to where they benefit the most people as far as the management of our public lands and the areas that you cover are concerned.

So, we appreciate your attendance here this morning in the committee. And if you want to respond to those questions both to the individual Senators and to the committee, that would be appreciated, too. And these hearings are closed.

Secretary NORTON. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator BURNS. Thank you very much. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

LAND AND WATER CONSERVATION FUND—STATESIDE

Question. The request for the LWCF's stateside program is a substantial one—roughly a 500 percent increase.

Are you confident that the states are prepared to manage this increase effectively and allocate the funds quickly?

Answer. The initial reaction from the States to the Department concerning the President's proposal has been very positive. The Department believes that, if the proposal is adopted, this positive reaction will translate into active participation in the program.

As with any group of entities, some will proceed more rapidly than others. Regardless of how rapidly any one State will move to effectively allocate funds, research by the National Recreation and Park Association indicates that for the period

2000–2004, local park and recreation systems needed close to $55 billion for capital investments to rehabilitate, enhance, and acquire recreation sites and facilities.

It is also important to note that, when the LWCF program was established, the authors included language that allowed the States two additional years after the year of appropriation to obligate their fiscal year grant funds. By so doing, Congress recognized that variances existed among States and that adequate time is necessary to administer a multi-million dollar grant program with States who must prioritize not only their own recreation needs but those of local applicants as well. In addition, the 2002 request establishes the funds in a no-year account.

Question. How many states currently have planning documents in place that will allow them to expend these funds consistent with the requirements proposed in the budget request?

Answer. The three different existing planning documents of the States that could be involved to a greater or lesser extent in the proposed 2002 LWCF State grants program are the Statewide Comprehensive Outdoor Recreation Plan (SCORP), the Wildlife Conservation and Restoration Program (WCRP) Comprehensive Plan, and the Cooperative Agreements implementing section 6 of the Endangered Species Act (ESA). There is no planning requirement for funding allocations by the States for wetland projects; rather, projects must meet the requirements of the North American Wetlands Conservation Act. The status of State plans for the three programs follows.

All States either have a current Statewide Comprehensive Outdoor Recreation Plan (SCORP), the long-required LWCF States grants program planning documents, in place or have been given the flexibility to certify the existing SCORP while an updated version is being prepared.

The Fiscal Year 2001 Commerce, Justice, State and Related Agencies Appropriation Act (Public Law 106–553), provided $50 million to fund States' wildlife conservation, wildlife conservation education, and wildlife-associated recreation projects, with a focus on species with the greatest conservation need. The Act created a subaccount under the Federal Aid in Wildlife Restoration Act for a Wildlife Conservation and Restoration Program, a formula-based apportionment to the 56 States and territories. There has been considerable communication and cooperation among the Service, the States, and the International Association of Fish and Wildlife Agencies during the development of this new program.

One new requirement established by the Act was for States to submit a Comprehensive Plan (Comp Plan) for approval prior to being eligible to receive grants under the Act. Of the 56 states and territories, 29 had submitted their Comp Plans by April 16, and all but one had submitted their Comp Plans by May 2. Submission of a Comp Plan by a State constitutes a commitment to develop and begin implementing, within five years, a Wildlife Conservation Strategy that will facilitate the identification of the State's greatest wildlife conservation needs. Each Comp Plan must substantiate the authority and capability of the State to implement the WCRP and indicate public input and participation.

The Service has facilitated the delivery of these new funds to the States through three significant actions. It has: (1) developed and distributed WCRP implementation guidelines that make program requirements and planning clearer; (2) sponsored three regional workshops in cooperation with and for State and regional Federal Aid partners to promote implementation; and (3) established a WCRP Comprehensive Plan Eligibility Determination Team (with Federal and State members), which has met three times and forwarded recommendations to the Director to approve 51 of the 55 Comp Plans submitted to date.

The Team anticipates completion of its review and recommendations for all 56 State and territory WCRP Comp Plans by the end of June 2001. Two States have already submitted grants for specific projects to Service Federal Aid Regional Offices.

All 50 States and three territories have Cooperative Agreements pursuant to Section 6 of the Endangered Species Act for animals and 44 States and two territories have plant agreements.

In addition to proposing changes in the purposes for which the stateside grant funds may be used, the budget proposes a change in the allocation formula for stateside funds.

Question. What is your rationale for this proposed change?

Answer. The use of land area, along with population, in computing the annual apportionment of funds to the States, recognizes that LWCF grant funds will also be used to benefit wildlife, habitat, endangered species and wetland ecosystems, and by so doing, will be addressing both recreation and habitat needs. Because land area, not population, is a more relevant measure of the need with respect to species and habitat protection, the proposed 30 percent land area/70 percent population

split maintains population as the major factor in the distribution of funds while recognizing the importance of land area in the preservation of wildlife and their habitat.

Question. Please provide for the record a table showing how LWCF state grants would be allocated under the current formula vs. the proposed new formula.

Answer. The table follows:

LWCF STATE GRANTS COMPARISON OF DISTRIBUTION OF $450 MILLION UNDER CURRENT AND PROPOSED FORMULA

State	State-side current law	Fiscal year 2002 proposed formula
Alabama	$7,195,322	$7,189,872
Alaska	3,516,950	16,599,201
Arizona	8,194,703	9,090,930
Arkansas	5,183,783	6,040,542
California	40,573,280	29,181,968
Colorado	7,334,564	8,311,282
Connecticut	6,831,092	5,441,352
Delaware	3,824,434	4,500,000
Florida	19,975,686	14,936,024
Georgia	10,499,393	9,842,030
Hawaii	4,224,422	4,500,000
Idaho	3,981,303	5,828,473
Illinois	15,909,365	12,604,094
Indiana	8,876,859	7,934,129
Iowa	5,345,209	6,296,171
Kansas	5,333,510	6,734,679
Kentucky	6,310,612	6,666,867
Louisiana	7,457,976	7,039,204
Maine	3,971,101	4,622,535
Maryland	8,829,253	6,789,507
Massachusetts	10,125,029	7,468,118
Michigan	13,295,867	10,981,864
Minnesota	7,667,647	8,167,968
Mississippi	5,101,338	6,035,763
Missouri	8,271,224	8,370,924
Montana	3,625,476	7,012,285
Nebraska	4,458,086	5,970,984
Nevada	4,953,704	6,919,164
New Hampshire	4,118,401	4,500,000
New Jersey	12,585,735	8,832,214
New Mexico	4,594,869	7,088,793
New York	23,685,508	16,773,193
North Carolina	10,334,550	9,539,204
North Dakota	3,540,622	5,078,565
Ohio	14,769,037	11,558,212
Oklahoma	6,091,250	6,939,404
Oregon	6,250,845	7,548,345
Pennsylvania	15,993,663	12,264,361
Rhode Island	4,180,707	4,500,000
South Carolina	6,763,711	6,425,808
South Dakota	3,576,359	5,312,224
Tennessee	8,300,327	7,796,956
Texas	24,229,796	22,958,082
Utah	5,184,219	6,439,798
Vermont	3,449,128	4,500,000
Virginia	10,051,824	8,683,721
Washington	9,045,872	8,516,462
West Virginia	4,451,308	4,821,397
Wisconsin	8,055,753	7,881,510
Wyoming	3,378,141	5,626,342
Subtotal—States	433,498,811	424,660,521
Dist. of Columbia	995,947	748,929
Puerto Rico	6,045,929	5,057,501

LWCF STATE GRANTS COMPARISON OF DISTRIBUTION OF $450 MILLION UNDER CURRENT AND PROPOSED FORMULA—Continued

State	State-side current law	Fiscal year 2002 proposed formula
Guam	172,527	199,825
Virgin Islands	135,797	158,626
Samoa	72,409	83,209
Marianas	78,580	91,389
Subtotal—Other	7,501,189	6,339,479
Tribes		10,000,000
Dist. to All	441,000,000	441,000,000
Administration	9,000,000	9,000,000
Total	450,000,000	450,000,000

LAND AND WATER CONSERVATION FUND—FEDERAL SIDE

Question. Within the President's budget request for the federal side of LWCF, there is a proposal for two new programs: $50 million for a competitively-awarded, cost-shared landowner incentive program and $10 million for a new Private Stewardship grants program.

Please explain how these two new programs are different from each other?

Answer. The budget includes $50 million in the FWS land acquisition account to establish a competitively-awarded, cost-shared Landowner Incentive Program for grants to States, the District of Columbia, Territories, and Tribes to establish or supplement their own Landowner Incentive Program. This program will provide technical and financial assistance to private landowners all across the country to help them protect and manage habitat, while continuing to engage in traditional land use or working land conservation practices.

The new $10 million Private Stewardship Grants Program, also in the FWS land acquisition account, will provide grants to individuals and groups engaged in local, private, and voluntary conservation efforts that benefit federally listed, proposed, or candidate species, or other at-risk species. A diverse panel of representatives from State and federal governments, conservation organizations, agriculture and development interests, and the science community will assess applications and make grant recommendations. Both new programs will be administered by FWS.

Question. Do these programs overlap with current Departmental programs? How are they different?

Answer. There are two existing FWS programs that share similarities with the new Landowner Incentive Grant Program: the Federally-operated Endangered Species Act Landowner Incentive Program and a portion of the Cooperative Endangered Species Conservation Fund (CESCF). While similar, they do not fully meet the goals of the new program nor are they funded at the levels envisioned by the President.

Existing programs are not targeted exclusively to providing financial and technical incentives, or are Federally operated rather than State operated. Specifically, the CESCF provides grants to states for numerous purposes, including HCP land acquisition, candidate conservation agreements, recovery actions, and other State initiatives to conserve candidate, proposed, and listed species. States are not required to use these funds to support private landowner conservation efforts. The Federally operated ESA landowner incentive program is directly operated by FWS; FWS solicits proposals directly from private landowners.

Similarly, there are existing FWS programs that share similarities with the new Private Stewardship Grants program: the North American Wetlands Conservation Fund and the Partners for Fish and Wildlife program.

The North American Wetlands Conservation Fund provides grants to individuals or organizations that have designed a long-term wetlands conservation project for acquisition, restoration, and/or enhancement. Tribes, private landowners, private citizens, Federal agencies, State agencies, local governments, businesses, local conservation clubs, or schools are all eligible to receive grants. A 100 percent match is required. This program is not targeted exclusively to private individuals and groups.

FWS also provides direct funding to private landowners for cost-sharing habitat restoration activities through its Partners for Fish and Wildlife program. This pro-

gram is a mix of financial, technical, and other assistance, as opposed to 100 percent financial assistance as proposed in the new grant program.

BUREAU OF INDIAN AFFAIRS' EDUCATION INCREASES

Question. One particular area that President Bush focused on is increased funding for the Bureau of Indian Affairs. Specifically, he has requested $2.2 billion for BIA, which is a 17 percent increase over the 2000 budget. I have always expressed an interest in increasing funding for education for American Indian students, not only at the grade school and high school level but also at the college level. As such, I was pleased to see that you have focused on increasing funds for Indian education, both for construction and operations. I also noticed a modest increase for tribally controlled community colleges.

Please provide the subcommittee with more details about these increases for construction and operations and also for tribally controlled community colleges.

Answer. The $161.6 million requested for the Education Construction, Facilities Improvement and Repair program will provide for the following: major repairs to 10 existing school facilities; purchase of portable classrooms; roofing repairs and replacement; continue work on backlog validation and update; minor repairs and improvements at multiple school locations; environmental-related work, plan and design of future year projects; emergency repair work; and, demolishing of existing buildings which are no longer necessary for programs. The request for FI&R is $13.6 million above the enacted level. Within this amount, $8 million is requested for annual maintenance to help prevent the maintenance backlog from continuing to grow and the remainder of the increase is targeted to high priority projects on the deferred maintenance list. Also, $122.8 million is requested for replacement of six schools on the priority list.

The request for school operations is $504 million, which includes a $15.6 million increase to ensure that schools maintain accreditation and have access to computers and updated textbooks. This funding level provides an increase of $135 per weighted student unit. The additional $1 million requested for operating grants to Tribally Controlled Community Colleges will provide an increase of $104 per ISC.

SAN CARLOS IRRIGATION PROJECT

Question. The Bureau of Indian Affairs runs the San Carlos Irrigation Project (SCIP) in Arizona. It serves approximately 12,000 customers, both Indian and non-Indian. Due to increased rates, the San Carlos Irrigation Project has been forced to use its reserve and faces increased power costs this summer. Please update the subcommittee as to what the Department is doing to address this potential problem.

Answer. To meet the SCIP obligations, the Department has provided $47.5 million in additional funds to continue operations through the end of August. Funds have been provided as follows:

March 2001—$6.5 million.—Reprogrammed from within the Bureau of Indian Affairs Operation of Indian Programs account.

April 2001—$8.0 million.—Emergency Transfer from the National Park Service land acquisition account.

May 2001—$33 million.—Emergency Transfer from: National Park Service land acquisition account ($20 million); Fish and Wildlife Service land acquisition account ($10 million); and, Bureau of Land Management land acquisition account ($3 million).

The Administration has requested a supplemental appropriation of $50.0 million as required under the Section 102 emergency transfer authority.

Short-term power constraints related to the regional power market should diminish on September 1, 2001, when the project will join a consortium of public power entities. This is expected to substantially reduce power costs from that time forward.

The Department is pursuing divestiture as an option for releasing SCIP from direct Federal control. The Department has initiated discussions within the Administration on divestiture of SCIP and has begun work on a legislative proposal. Proceeds from divestiture might be applied to make whole any entity that supplies assistance to SCIP in the short term.

CONSERVATION RESEARCH CENTER IN FRONT ROYAL, VA

Question. Recently there has been talk of the U.S. Fish and Wildlife Service taking a role in the Conservation Center in Front Royal, Virginia which is currently operated by the Smithsonian. Could you please provide us with more detail about these preliminary plans?

Answer. FWS believes that the Smithsonian Institution's Conservation and Research Center, a unit of the National Zoological Park, has an important role in national and international efforts to conserve endangered and declining species. The Smithsonian Institution's initial proposal to discontinue operations at the Conservation and Research Center created an opportunity for the Department to develop a partnership effort with the Smithsonian, States, universities, private conservation organizations and private donors to help the facility continue operating. The Department and FWS proposed to work with and assist the Smithsonian and National Zoo to maintain the facility as a private/public partnership. The Smithsonian Institution announced May 6, 2001, that it would withdraw its proposal to close the Conservation and Research Center.

U.S. FISH AND WILDLIFE SERVICE—INVASIVE ALIEN SPECIES CONTROL

Question. What has been budgeted for invasive alien species control within the U.S. Fish and Wildlife Service's budget? Please provide an overall figure and a breakdown within the budget.

Answer. FWS works in cooperation with private groups, state agencies, other federal agencies and other countries to combat invasive plant and animal species. Four FWS programs have been specifically targeted to conduct invasive species activities in 2002. Through these programs, the President's Budget includes about $11.1 million to combat and control invasive species.

Fisheries and Habitat Conservation—($4,664,000)

The Fisheries and Habitat Conservation Program leads the effort to implement aquatic nuisance species activities authorized under the Non-indigenous Aquatic Nuisance Prevention and Control Act of 1990 (as amended, 1996) through the cooperative activities of the Aquatic Nuisance Species (ANS) Task Force. The FWS and NOAA serve as co-chairs of the ANS Task Force whose role is to coordinate the activities of seven federal agencies and 11 *ex-officio* members to prevent and control aquatic nuisance species. FWS program staff at the Washington Office, Regional offices and Fishery Resource Offices work with state and private cooperators to coordinate and conduct activities carried out under the ANS Task Force to implement a variety of provisions under the Act.

Key efforts that will be conducted in 2002 include:

—Providing grants to States for implementation of State/interstate ANS Management Plans approved by the ANS Task Force;

—Supporting Regional Panels to develop priorities and coordinate regional/State/local aquatic invasive species activities;

—Conducting detection and monitoring activities including establishing baseline surveys of high profile areas and supporting the USGS Non-indigenous Aquatic Species database;

—Conducting a variety of prevention programs aimed at keeping invasive species out of the U.S. including preventing the spread and dispersal of those invasive species that have become established, and identifying priority pathways to be addressed (programs include the 100th Meridian Initiative, the Alaska Ballast Water Initiative, Bait Pathway Analyses, and Dispersal Barrier studies);

—Supporting the development of new ballast water treatment technologies through the Ballast Water Demonstration Program conducted in cooperation with the National Sea Grant Program;

—Developing and conducting cooperative control programs (i.e., ruffe, brown tree snake, Chinese mitten crab, Asian Swamp Eel) to address those species which have become established and are declared Aquatic Nuisance Species by the ANS Task Force;

—Providing support for outreach and education efforts; and

—Providing program support for the Aquatic Nuisance Species Task Force and support for Non-indigenous Species Coordinators in all seven FWS Regions and the Washington Office to ensure that FWS Regional priorities for invasive aquatic species are coordinated with the ANS Task Force for cooperative action and program development.

Partners for Fish and Wildlife—($1,996,000)

The 2002 budget includes $1,996,000 specifically earmarked for invasive alien species control. In addition, a portion of general program activities may support invasive alien species control, however, these funds are allocated, in part, on a competitive basis, and support other types of habitat conservation initiatives. Fiscal year 2002 funding for these activities was $1,550,000; 2001 and 2002 amounts may be more or less.

The Partners for Fish and Wildlife Program provides financial and technical assistance to private landowners to help them restore degraded fish and wildlife habitats on their property. The Partners program often performs invasive species control as part of its restoration efforts. The impact of these funds is increased by matching contributions of financial and technical assistance as well as on-the-ground efforts by our partners. As a result, the impact of this funding is multiplied not only in terms of resources available to combat invasive species, but in the total land area which can be addressed.

Landowners benefit from improved ecological health and productivity of their land; the spread of invasive species is minimized; and habitat is improved for migratory birds, inter-jurisdictional and anadromous fish, and other threatened, endangered, and declining species. Examples of Partners Program's activities include using prescribed burning, integrated pest management techniques, physical removal, fence construction, and restoration of native plant communities to control invasive plants and animals for the benefit of a host of Federal trust species.

In 2002 the Partners for Fish and Wildlife program will continue efforts to eradicate, control, or manage invasive species on at least 2,690 acres of private lands. This goal will be accomplished through the continuation of the above listed activities as well as:

—Restoring habitat in Texas which has been degraded by Salvinia (an aquatic plant). This plant which is native to Brazil can double in area in five days. Unchecked, this plant will quickly and completely fill water bodies, removing all nutrients, preventing re-oxygen of the water, diminishing photosynthesis, and killing all the beneficial native aquatic plants.

—Working with The Nature Conservancy and other landowners in Pennsylvania to remove exotic species such as multi-flora rose and purple loosestrife from bogs and other wetlands to aid in the recovery of the endangered bog turtle.

—In California, over 1,000 acres of native riparian forest have been degraded by European giant cane. Restoring these native willow and cottonwood habitats will benefit listed species such as the least bell's vireo, southwestern willow flycatcher, red-legged frog, and steelhead trout.

—In New York, European buckthorn and Japanese honeysuckle are overrunning grassland habitats vital to neotropical migratory songbirds. Prescribed burning and physical removal of these invasive species will restore these grasslands benefitting declining bird species such as the bobolink, meadowlark, grasshopper sparrow and vesper sparrow.

Refuges and Wildlife—($2,694,000)

An estimated six million acres of refuge lands are affected by invasive pest plants that are conflicting with wildlife management objectives and threatening wildlife species. Refuges control invasive plant and animal populations on the National Wildlife Refuge System. These activities prevent the introduction and spread of invasive non-native species and control them where they have already become established. Some of the most insidious plant invaders on national wildlife refuges include salt cedar, leafy spurge, thistles, Brazilian pepper, purple loosestrife, Australian pine, Chinese tallow trees, old world climbing fern, and melaleuca. In addition, a variety of animal invaders such as Norway rats, nutria, brown tree snakes, Asian carp, Asian Swamp eels, feral goats and wild pigs are a problem throughout the Refuge system.

In 2002, FWS will incorporate a full spectrum of integrated pest management techniques including chemical, mechanical, cultural, and biological techniques to prevent, control, or eradicate aquatic and terrestrial invasive species. As part of the Fulfilling the Promise Implementation Plan, FWS has established a multi-discipline team to develop a National Strategy for the Management of Invasive Species throughout the Refuge System. This National Strategy will be the guiding document for conducting invasive species prevention and control operations at the field, regional, and national levels. The National Strategy will include information to determine priority actions and project development, monitoring and survey recommendations, program organizational guidance, standard operating procedures for conducting field operations, partnership development guidance, and other related invasive species management information.

International Affairs—($199,000)

The International Affairs program develops scientific information to evaluate potentially invasive foreign species that may qualify for the list of injurious wildlife. This information will assist FWS in making decisions about the regulation of imports of these species into the United States. International Affairs conducts risk analyses and biological assessments on potentially invasive species, to identify spe-

cies that pose unacceptable risks and should not be imported. This analysis is a critical first step to help ensure that intentionally imported wild plants and animals are not potentially invasive. The program also develops outreach and partnership efforts with the scientific community, industry, non-government organizations and the public. In 2002, the International Affairs program will continue to develop scientific information and aggregate trade data to assess the risk of introduction of potentially invasive foreign species that may qualify for the list of injurious wildlife.

FWS—INVASIVE SPECIES BUDGET BY ACTIVITY

[In thousands of dollars]

Program	2001 enacted	2002 proposed
Fisheries and Habitat Conservation Partners for Fish and Wildlife (1121)	1,996	1,996
Branch of Invasive Species (1332)	4,664	4,664
Refuge Operations (1261)	2,694	2,694
International Affairs (1671)	199	199
Total Devoted Exclusively to Invasives	9,553	9,553
Estimated Amount of Additional Funding Under The Partners for Fish and Wildlife Program	1,550	1,550
Grand Total	11,103	11,103

U.S. FISH AND WILDLIFE SERVICE—WILDLIFE CONSERVATION AND APPRECIATION FUND

Question. The budget request for fiscal year 2002 does not include a request for funds for the Wildlife Conservation and Appreciation Fund. Explain the rationale for this decision.

Answer. The Wildlife Conservation and Appreciation Fund has provided grants to States and territories to benefit a broad array of non-game species and to provide for their recreational enjoyment. The 2002 budget proposes funding for the Land and Water Conservation Fund State Grant Program at $450 million an increase of $360 million. States may use their share of the $450 million LWCF State Grants' Program for wildlife conservation and restoration in line with the purposes of the Wildlife Conservation and Appreciation Fund. These formula driven grants will gives States priority-setting capabilities within their overall allocations.

ENDANGERED SPECIES—LISTING

Question. The Budget Request includes a $2.1 million request for the "listing program" under Endangered Species. Additionally, the President has requested that Congress modify the legislative language that puts a cap on listing. Please explain how the Administration plans to use the additional $2.1 million for listing and explain why the Administration believes that the language for the cap on listing should be modified.

Answer. The President's budget estimated that the requested funding level would enable the Service to finalize the listing of all 37 species that have been proposed for listing; complete approximately 25 pending citizen petitions; and develop proposed rules on 12 of the 236 candidate species. As a result of additional critical habitat work related to court orders and settlement agreements, the Service now estimates that a lesser amount of work could be completed.

The President's budget includes revised appropriations language that, if adopted, would help ensure FWS can spend its 2002 ESA listing appropriation in accordance with biological priorities after meeting existing court orders. The language is aimed at ensuring limited listing funds are directed toward activities that provide the greatest benefit for species at risk of extinction.

This revised language continues a provision recommended by the previous Administration, and enacted by Congress in fiscal years 1998 through 2001, limiting the amount of the resource management account that can be used for completing listings and critical habitat designations to the amount provided by Congress. That is, the effect of the language is to prohibit FWS from reprogramming funds from other programs to the listing program. However, because some Courts have concluded that they have little or no discretion to give FWS relief from certain underlying mandatory deadlines in the ESA, even when limited listing funds do not allow FWS to meet all of the ESA listing requirements, the President's proposal also includes language clarifying that the FWS may expend its listing resources only to comply

with existing court orders or according to a biologically based priority system. FWS would develop that priority system after public review and comment.

FWS needs a mechanism to allow for the orderly management of the listing program that allows FWS to address the species most in need. FWS also must be able to plan its work for the year efficiently, without having to change the plan and shift resources around in response to new court orders throughout the year.

U.S. GEOLOGICAL SURVEY—PROPOSED REDUCTIONS

Question. The fiscal year 2002 budget for the Survey proposes reductions totaling $69.4 million from the current level. In addition, GS is proposed to absorb a portion of their fixed cost increases, which further diminishes program dollars.

What reasons can you give us as to why the Survey's ongoing programs—particularly water resources investigations—do not appear to merit support in the fiscal year 2002 budget?

Answer. The 2002 budget focuses USGS resources on core mission programs, such as mapping and hazards, and those that directly support the Department of the Interior's land and resource management bureaus. USGS currently conducts a significant amount of water research that primarily benefits other Federal agencies, States, and local governments. The budget proposes that certain programs, such as the National Water Quality Assessment and Toxic Substances Hydrology programs, would be more appropriately funded by or cost-shared with program beneficiaries. Funding for the Ground Water Resources program is continued at the 2000 level.

Question. If these funding levels are enacted into law, do you anticipate reductions in force and, if so, have you planned and budgeted for the costs that will be incurred as a result? Please explain.

Answer. USGS is reviewing staff-reduction options, such as not backfilling vacancies, offering early retirements, and potentially using a reduction in force. We plan to work with both OMB and the U.S. Office of Personnel Management in the near future regarding staffing cuts, which will be funded through USGS annual appropriations.

U.S. GEOLOGICAL SURVEY—MISSION OF THE AGENCY

Much of the Survey's work has been in the form of collaborative efforts with state and local governments. In addition, the independent scientific research USGS performs has proven to be a valuable tool for other Federal agencies. The fiscal year 2002 Interior Budget Summary, rather than stressing USGS accomplishments nationwide, appears to emphasize the work GS will do to support the Department's land management agencies.

Question. Is the mission of USGS evolving from one with broader goals of national scope to one that predominately provides service support to the other Interior agencies, who in turn would define the work of GS? Please tell us what the expectations are for USGS as an agency during the coming four years.

Answer. Over the past 120 years, USGS has adapted its programs to respond to the Nation's need for objective earth science information. The USGS will continue to evolve in order to address increasingly complex issues. Today, USGS provides a broad range of national expertise in mapping, geology, hydrology, and biology. The Administration still regards USGS as the Nation's principal earth and biological sciences agency, but because of the increasing complexity of managing Interior's resources, it is the Department's position that the primary customers of USGS science are the land and resource management bureaus of Interior.

AML FUND

Question. The OSM budget indicates a decrease of $49 million for the Abandoned Mine Land (AML) program compared to last year. This will reduce the amounts that states will get in the form of grants to do reclamation work. Some of this reduction ($12.5 million) can be explained by removing funds for a one-time project that was funded last year, but this still means a reduction of over $35 million.

How will this large reduction affect the program's accomplishment level? For example, how many fewer acres will be reclaimed?

Answer. This Funding level will provide resources to reclaim 6,000–7,000 acres, as compared to approximately 8,600 acres in fiscal year 2001.

Question. How much in fees for the coal tax does the agency believe will be collected in the AML fund versus what the agency has requested in grant funding?

Answer. In fiscal year 2002, $283 million is anticipated in receipts from coal fees. OSM is requesting $166.8 million from the AML fund appropriation in fiscal year 2002, of which $124.1 million will fund reclamation grants, including Clean Streams grants in the Appalachian coal region.

Question. The OSM budget justification states that there is a $2.5 billion backlog of priority 1 and 2 reclamation problems that threaten public health and safety. In light of this, is such a large reduction in the AML program prudent?

Answer. OSM believes that the states and tribal programs can absorb the lower funding level this year. The impact of this reduction is lessened because states and tribes generally follow a three year grant cycle to fully expend funds received in any one given year. OSM and the Department fully support and remain committed to the Abandoned Mine Land reclamation program. The 2002 request provides funds to reclaim 6,000 to 7,000 acres of hazards.

Question. Please provide to the Committee a breakout of how each state that gets reclamation grants will be impacted by this reduction.

Answer. The following table lists the funding provided to each State and Tribe in fiscal year 2001, including the one-time Pennsylvania funding.

The fiscal year 2002 distribution shown here is an estimate. The actual distribution will not be identical to this because some of the necessary information is not yet available, including fiscal year 2001 AML fee collections and States' fiscal year 2002 emergency program needs. It assumes a $1.6 million minimum program funding level.

FISCAL YEAR 2002 ESTIMATED AML GRANT FUNDING

This estimated distribution cannot be exact because it is calculated using fiscal year 2000 collections, and the fiscal year 2001 emergency program request; (OSM cannot predict the amount needed for the fiscal year 2002 emergency program.

[In millions of dollars]

State/Tribe	Actual fiscal year 2001 total distribution	Estimated fiscal year 2002 total distribution
Alabama	3.9	3.0
Alaska	1.6	1.6
Arkansas	1.6	1.6
Colorado	2.6	1.9
Illinois	10.4	7.7
Indiana	6.0	4.5
Iowa	1.8	1.8
Kansas	2.1	2.1
Kentucky	17.8	12.9
Louisiana	0.1	0.1
Maryland	1.8	1.8
Missouri	1.8	1.8
Montana	4.0	3.0
New Mexico	1.9	1.6
North Dakota	1.7	1.7
Ohio [1]	6.8	7.0
Oklahoma	1.8	1.8
Pennsylvania	40.3	19.7
Texas	1.7	1.3
Utah	1.7	1.6
Virginia [1]	4.5	4.3
West Virginia [2]	23.4	17.4
Wyoming	28.8	21.3
Crow Tribe	0.6	0.4
Hopi Tribe	0.5	0.3
Navajo Nation	2.6	1.9
National total	171.8	124.1

[1] In fiscal year 2001, Ohio, Virginia, and West Virginia also received $2.0, $1.0, and $3.2 million, respectively, from an account which holds unallotted emergency funds that have been recovered from prior years and carried forward for future emergency needs.

[2] In fiscal year 2002, West Virginia also would receive $2.6 million from the unallotted emergency funds account. This account holds prior year emergency funds that have been recovered and carried forward for future emergency needs.

STATE REGULATORY PROGRAMS

Question. The Committee is concerned about adequate funding for state regulatory programs. The OSM's fiscal year 2002 budget maintains funding for this program at fiscal year 2001 levels. How much additional funding have the states requested from the agency for this program?

Answer. The states and tribes provided funding estimates for fiscal year 2002 totaling $62.4 million. This budget requests that regulatory grants to states continue to be funded at the fiscal year 2001 level of $55.6 million. OSM carefully examines anticipated state/tribal expenditure levels, historic obligation rates, the availability of State matching funds, in formulating the budget request. OSM will continue to monitor state and tribal funding requests and expenditures closely to ensure that program needs are met.

Question. Does lack of funding for state regulatory programs contribute to potential lawsuits in states that could affect mining activities?

Answer. OSM and the Department believe that the funding requested for fiscal year 2002 provides sufficient matching funds for primacy states to administer the regulatory provisions of SMCRA. Because OSM carefully evaluates state needs and finances before estimating the request for State regulatory program grants, OSM does not believe that the difference between state estimates and the 2002 request would contribute to potential lawsuits in States that would have an effect on mining activities. In addition, throughout the year, OSM queries the states to determine if their current program changes would result in excess regulatory funds, which can be returned to OSM to be redistributed to other states which need extra funds.

Question. Please provide a list of States that currently have litigation pending with respect to the adequacy of their regulatory program.

Answer. Below are the states and current litigation. There are several Notices of Intent to sue that could result in additional litigation in states.

Pennsylvania.—*Pennsylvania Federation of Sportsmen's Clubs, Inc.* v. *Seif,* No. 00–2139 (3d Cir.). Litigation was filed against OSM and the State of Pennsylvania on the adequacy of the State's bonding system.

West Virginia.—West Virginia has three cases concerning broad issues of program administration:

Bragg v. *Robertson,* No. 99–2683 (4th Cir.). Litigation is related to mountaintop mining and valley fills;

West Virginia Highlands Conservancy v. *Babbitt,* No. 00–1062 (S.D. WVa.). Litigation was filed against OSM and West Virginia, involving primarily the adequacy of the State's bond system; and

Ohio River Valley Environmental Coalition, Inc. v. *Callaghan,* No. 00–0058 (S.D. WVa.). Litigation was filed regarding the adequacy of the State's process for reviewing hydrologic impacts.

STATE MINIMUM FUNDING

Question. The Abandoned Mine Reclamation Act of 1990 establishes a minimum State grant funding level of $2,000,000 per State. From fiscal year 1995 through fiscal year 2000 funding for the program was limited to $1,500,000 per State. In fiscal year 2001 this was increased to $1,600,000. In the past, the agency has recommended increasing the minimum State share to $2,000,000, but it has not done so for fiscal year 2002. Has the agency changed its position with respect to the proper level of funding for minimum program states?

Answer. OSM believes that $1.6 million (an increase from $100,000 from fiscal year 2000, and continued in fiscal year 2001) is an appropriate level of funding for fiscal year 2002.

Question. Is there sufficient high-priority work in each State that increasing each State's minimum share to $2,000,000 will not reduce efforts to complete highest priority work nationwide? What would be the impact, if at all, on the agency's other work if this increase were provided?

Answer. An analysis of data taken from the Abandoned Mine Land Inventory System shows that the majority of reclamation being done nationwide is high priority work in all States including the minimum program States. This generally means that the overall reclamation priorities would not change.

The minimum program adjustment is taken from Federal Share Funds, which are distributed to states based on their historical coal percentages. Therefore, if an increase in funding to minimum program states were provided, the States with the largest historical coal percentages and highest priority needs would be most affected, i.e., Pennsylvania, West Virginia, Kentucky and Illinois. Some States, (Louisiana and Texas) receive less than $1.6 million. This is because they have certified completion of all known eligible coal sites and thus while able to receive funds from their state share, they are not eligible for minimum program funding.

TRUST REFORM—COBELL v. NORTON

Question. Recently, the Judge in the Cobell cases appointed Mr. Kieffer as Court Monitor to oversee the Department's trust reform efforts.

Could you please provide the subcommittee with some background into why the Court Monitor was appointed and what his role will be.

Answer. The Federal District Court in *Cobell* v. *Norton* conducted a series of meetings with legal counsel for the Plaintiffs and Defendants during the end of March 2001 and the beginning of April 2001. On April 16, 2001, after the final such meeting, the Court conducted a status hearing on the record. At that hearing, the Court indicated that a Court Monitor would be appointed to help the Court deal with questions presented in the case, including the Plaintiff's motion to reopen trial one (which involved the issue of trust reform). The Court mentioned that assistance from a Court Monitor would help the Court with its heavy docket and trial calendar. Legal counsel for Plaintiffs and Defendants consented on the record to the appointment of Joseph S. Kieffer, III as Court Monitor. The ensuing written order dated April 16, 2001, provides that the Court Monitor is a representative of the Court and will serve for at least one year. It provides that the Court Monitor will "monitor and review all of the Interior defendants' trust reform activities and file written reports of his findings with the Court." The reports will include summaries of Interior's trust reform progress. The Court Monitor is expected to issue an initial report to the Court after becoming acquainted with the issues in the case. The initial report is expected sometime this summer and will help the Court as to scheduling and the resolution of pending motions. The fees and expenses of the Court Monitor are to be paid by Interior.

Question. It is my understanding that the Court ordered the Department to bear the costs of the Court Monitor. Has it been determined where these costs will come from within the Department's budget?

Answer. The Office of the Special Trustee intends to utilize funds appropriated for Cobell related expenses to pay the fees and costs of the Court Monitor. In fiscal years 1998, 1999, and 2001, Congress appropriated a total of $23.7 million to the Office of the Special Trustee for the costs to support the ongoing Cobell litigation, including document production and costs for Trial II. These funds remain available until expended. Approximately $6.9 million currently remains unobligated and available for ongoing Cobell related expenses.

BUREAU OF LAND MANAGEMENT

PILT

Question. Madame Secretary, while I agree with much of your budget, there are a number of details that concern me. For example, last year we reached a landmark compromise that would fund PILT to a total level of $200 million for fiscal year 2001. Unfortunately, the budget request drops PILT back down to a level of $150 million for fiscal year 2002. As a former county commissioner, I am less than enthusiastic about this reduction.

Should we look at this reduction ($50,000,000 in PILT) as a policy stance on the part of the Administration regarding the merits of PILT, or is it the result of a shortfall in the overall Interior budget?

Answer. The Department of the Interior fully supports the intent of the PILT program to provide support to local governments that have Federally owned tax exempt lands located within their jurisdictions. The competing priorities required difficult choices to be made in compiling the 2002 budget request. The funding level for PILT proposed in the 2002 budget, although reduced, is still $15.6 million above the amount available in 2000.

WILD HORSE AND BURRO PROGRAM

Question. Last year the BLM received an additional $9.1 million for the Wild Horse and Burro program to bring populations down to an appropriate management level (AML). Is BLM still on track to reach its AML goals with last year's funding increase and this year's request? Can you assure this subcommittee that this program is now being managed in a manner that will allow us to reach our AML goals without unforeseen increases in upcoming fiscal years?

Answer. The BLM is aggressively implementing its strategy to reach AML on all herd management areas (HMA) by the end of 2005. While it is difficult to predict how future unforseen events such as drastic wildfires and drought would effect BLM management capabilities, we are planning to meet our AML goal through appropriate management of this program. As conditions warrant, we will adjust our strategy to meet short-term demands while continuing to move forward towards the AML goal. The following is an example of how we have adapted our AML strategy to changing conditions. The AML strategy was predicated on the assumption that 1,500 animals would be in temporary holding facilities on October 1, 2000. As a re-

sult of the fiscal year 1999 and fiscal year 2000 wildfires and drought conditions, a number of emergency wild horse removals became necessary, increasing the number of animals in preparation facilities to 5,500 at the end of fiscal year 2000. In order to implement the strategy as proposed it became necessary to contract for additional interim holding facilities to hold animals until they could be placed in the adoption system or into long-term care. Specifically, an additional facility was contracted for in Nevada to accommodate the increased number of animals requiring removal from that State. Two additional long-term/interim holding facilities, with a total capacity of 4,000 animals, will be contracted for this fiscal year. The two new facilities will be coming on-line a year ahead of schedule. The BLM has been adjusting internally to compensate for the increased costs associated with bringing the facilities on-line ahead of schedule.

LAND USE PLANNING

Question. Madame Secretary, your proposed budget includes a $7.079 million increase to update land use plans. To many Westerners an increase of this size for "planning" can raise concerns. Some have the impression that many of our federal agencies spend too much time "planning" and not enough time "doing." Can you explain why this increase is necessary and highlight some of the activities that will be allowed to go forward as a result of an increase in the planning budget?

Answer. Updated land use plans support the vast majority of BLM's activities. For example, land use plans are the key decisionmaking tools at the local level that spell out whether or not the BLM can authorize activities on specific land units, such as: leasing oil, gas, coal bed methane, or coal; construction of electrical transmission lines, gas pipe lines, and roads; issuing permits for livestock grazing or outfitting; and, selling or exchanging lands for the benefit of local communities.

Most of BLM land use plans were completed in the 1980's and early 1990's. Since the completion of BLM's first land use plans and associated EISs, new, major national priorities have emerged. Examples include, the increasing demand for new energy sources as evidenced by the exponential growth in the development of coal bed methane, the likelihood of thousands of new deep gas wells, new standards in implementing the Clean Water and the Clean Air Acts, the listing of many additional species under the Endangered Species Act, and rapid population growth in the West. As a result, the BLM is increasingly finding that its land use plans and NEPA documents have become out-of-date with regard to current natural resource, technological, or socio-economic conditions. This situation is increasingly leading to litigation.

In California, the BLM was sued for failing to consult with the U.S. Fish and Wildlife Service on threatened and endangered species on a plan-wide basis. In Idaho, the BLM was sued for not making adjustments in livestock grazing to adequately protect riparian areas and water quality. In Montana, a land use plan was challenged because decisions relating to allowable uses were out-of-date.

These lawsuits and notices of intent to sue have required the BLM to complete consultation actions, implement conservation measures, and complete additional activities. All of these activities cost the BLM millions of dollars annually. As a result, management actions and land use authorizations have been delayed or deferred pending the completion of this additional court mandated work. It has become increasingly apparent that BLM's planning base must be updated to address these issues, provide the cumulative analysis required by law, meet applicable environmental standards, and minimize the threat of litigation.

With the additional $7.09 million, BLM will be able to fund the start, revision, or amendment of 42 land use plans. These plans will support a variety of land uses and land use allocation decisions on the public lands. Examples include: five plans to be revised in Wyoming that will support energy and mineral development; five California plan amendments addressing legal settlements associated with endangered species consultation and providing for off-highway vehicle and other recreational uses; a plan to be completed in New Mexico that will address oil and gas development and community growth needs. This additional land use planning funding will ensure that the BLM can implement these and other critical tasks, such as the Administration's new initiatives for leasing energy minerals and authorizing the construction of an enlarged energy transportation network, key elements in the President's National Energy Policy.

FIBER OPTIC RIGHT OF WAY FEES

Question. Last year we spent a great deal of time and effort slowing BLM plans to drastically increase lease rates for fiber optic right of way crossings. At the end of the year, Congress prevented both Interior and Agriculture from implementing

a final rule that would replace the current linear right-of-way fee schedule. As Chairman of the Commerce Subcommittee on Communications, and a Senator representing a rural state with vast expanses of public land, it troubles me that Interior would be advocating a rule that would only deepen the digital divide often found in rural areas.

Can I have your assurance that any activity by the Department of the Interior to re-evaluate fiber optic lease rates will be fully disclosed to Congress? Additionally, can you assure me that rural interests will be consulted prior to another rule-making proposal?

Answer. Section 340 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2001 (Public Law 106–291) directed that the Secretaries of the Interior and Agriculture were to only use existing rates in the current linear right-of-way fee schedules used by both the BLM and FS in assessing rental fees for fiber optic rights-of-way. Both agencies are doing so. The BLM issued interim policies and procedures for fiber optic rights-of-way in January of this year that provide clear direction on the continued use of existing linear right-of-way rental fee schedules. The policy also makes clear that Rural Electrification Act providers, including fiber optic companies that qualify for funding as Rural Utility Service (RUS) providers, will be exempt from rental fees. The FS issued a policy memorandum in October 2000 that discontinued the practice of conducting case-specific appraisals for determining rental fees for fiber optic rights-of-way.

The BLM and FS, however, have an ongoing obligation to respond to the Office of Inspector General and General Accounting Office reports (USDI OIG 95–I–747 and GAO/RCED–96–84), citing that the land use rental fees for commercial linear rights-of-way are below fair market value. Both agencies began a market study of linear right-of-way uses on nonfederal lands in fiscal year 2000 in response to the OIG and GAO reports. This market study will also include rural market areas. We do not anticipate that the market study will be completed until sometime in fiscal year 2002. After consultation with industry groups and congressional offices in fiscal year 2000, the BLM and FS agreed to only use a formal regulatory process, with full public involvement (including rural interests), to develop any revised rental fee policy for fiber optic rights-of-way. The BLM and FS do not anticipate beginning any rulemaking effort until at least fiscal year 2002.

We continue to remain committed to working with Congress in development of any policies and procedures related to fiber optic rights-of-way and in any future rulemaking effort regarding rental fee schedules.

MONTANA SPECIFIC (UNDAUNTED STEWARDSHIP AND MSU WEED CENTER)

Question. I was also concerned that a couple projects that I have worked hard to include in the budget are reduced in the Administration's request. Two within the BLM are Undaunted Stewardship, and the National Center for Ecologically Based Weed Management at Montana State University. The budget documentation provided to me incorrectly states that these two projects are now capable of operating independently. Can I have your assurance that the BLM will continue to fully support these projects through fiscal year 2001, as we work together to ensure they will receive additional funds in fiscal year 2002?

Answer. Funding was provided in fiscal year 2001 to a group called Undaunted Stewardship to provide grants to local groups that operate along the Lewis and Clark trail, to protect cultural sites and evaluate easement alternatives. Funds are also used for a stewardship certification program. Much of the work associated with the funding provided in fiscal year 2001 will continue into fiscal year 2002. Since funding provided in fiscal year 2001 is expected to still be available for use in fiscal year 2002, we did not request additional funds for Undaunted Stewardship. BLM will focus available resources on the highest priority needs for the Lewis and Clark projects.

Building on the efforts of fiscal year 2000, the BLM continues to work with Montana State University in fiscal year 2001, to establish the National Center for Ecologically Based Weed Management. Fiscal year 2001 funds have been obligated for the Center. The Center has submitted bills against approximately 20 percent of the fiscal year 2000 obligation, and expects to exhaust the remainder of those funds this year. It is projected that the Center will utilize approximately one-quarter of the fiscal year 2001 funds this year, with the remainder to be utilized through fiscal year 2003.

MINERALS MANAGEMENT SERVICE

ROYALTY-IN-KIND

Question. The Minerals Management Service has been studying the use of Royalty-In-Kind (RIK) as a way to avoid disputes with lessees over the valuation of oil and gas and to potentially increase revenues to the Treasury. In the fiscal year 2001 Interior Appropriations bill, the Committee expanded the agency's authority to use RIK.

What has the agency's analysis in Wyoming shown thus far about when it makes economic sense to use RIK?

Answer. The RIK Pilot in Wyoming shows that there are circumstances when RIK makes sense. Over the period covered by the evaluation, the pilot has shown that selective use of RIK can be revenue neutral, while lessees can benefit from reduced administrative burdens. One of the lessons learned from the Wyoming Pilot was that RIK does not work for every property. In Wyoming, properties that were not connected to pipelines did not receive attractive bids, and are no longer included in the RIK sales. The administrative burden associated with these properties made them unattractive to potential bidders for RIK oil.

Question. When will the agency complete an analysis of the use of RIK in the Gulf of Mexico?

Answer. There are three RIK pilots (two natural gas and one oil) in the GOM. The GOM gas pilot that is being coordinated with the Texas General Land Office should have preliminary results available from the initial analysis this summer. Once the analysis of this gas pilot is completed, MMS will begin an analysis of the second gas pilot, followed by an analysis of the oil pilot. No time frame has been set as to the completion of the second gas pilot or the oil pilot project.

Question. Are there differences between the Gulf of Mexico and Wyoming markets that may cause the analysis of the Gulf to reach a different conclusion with respect to RIK than was reached in Wyoming?

Answer. The primary difference between these initial pilots is the commodity that MMS took as RIK—oil in Wyoming and natural gas in the Gulf of Mexico. There are other differences in the characteristics of these markets that also may affect the conclusions of the pilot evaluations. The Wyoming oil market has fewer buyers and sellers than the Gulf coast markets, and therefore less spot market activity. The gas market in the Gulf of Mexico is much more open and robust with many public price indices available. The results of the gas pilot won't be known until the evaluation is complete, but the potential for shortening the compliance time period and reducing valuation disputes should be similar to those identified in Wyoming.

Question. The MMS budget includes over $7 million for systems to support the RIK program. Can you describe what these new RIK systems are designed to do and how they will facilitate greater use of the RIK program in the future?

Answer. MMS 2002 budget request of $7.3 million will fund the development of a gas management system which will provide the technological tools to support to MMS's ongoing RIK gas pilot activities. This technology solution will support MMS gas pilot activities in the areas of identification and tracking of gas production available for sale, nomination of gas volumes for sale, reconciliation of gas volumes between nominations and actual sales, tracking of gas volumes transported and/or processed before sale, and tracking and resolution of volume imbalances. Further, the gas management system will support the invoicing of gas sales and support tracking of receivable balances. Most of this work is now done manually with limited systems support.

A commercially available solution will be purchased that closely aligns with MMS royalty system, and which will be patterned after accepted gas marketing/management practices used by industry. The solution is scaleable to increases or decreases in business activity. The system will fully integrate with MMS's reengineered Financial/CAM systems.

Question. Do we know a sufficient amount about RIK at this point considering that an analysis has only been done in Wyoming to justify spending $7 million on software to expand the use of this authority?

Answer. Yes. The Wyoming Oil RIK Pilot is just one facet of MMS's experience in managing royalties through RIK. MMS has considerable additional experience in operating RIK activities for both oil and gas. For natural gas, MMS is now operating multiple pilots in the Gulf of Mexico. Begun in 1998, the gas pilot program has tested a number of approaches and practices and is identifying and refining best practices. Currently, MMS is selling approximately 360 million cubic feet of gas per day in the Gulf of Mexico under a variety of sales scenarios and is utilizing both transportation and processing agreements and infrastructure to support those sales.

MMS has steadily focused on the adoption of industry best practices. The gas management systems that MMS would purchase in fiscal year 2002 are utilized by industry and are designed to support these practices.

MMS also has a significant experience base for oil RIK. For many years, MMS has been operating and steadily improving its Small Refiner Program. Under this Program, MMS currently sells approximately 70,000 barrels per day of OCS crude oil. Furthermore, the Wyoming pilot has been in place for over three years now and has involved sales reaching over 6,000 barrels per day. Additionally, MMS recently completed the delivery of over 28 million barrels of Gulf of Mexico RIK oil to the Department of Energy for the Strategic Petroleum Reserve. Lastly, MMS is currently selling over 7,000 barrels of crude oil per day from the Gulf of Mexico in its competitive pilot program. As with natural gas, MMS has been focusing on the adoption of oil industry best practices where applicable. This approach leverages the breadth of experience in the industry and helps assure that the available commercial-off-the-shelf (COTS) liquids management solutions will fit closely with adopted business practices.

Every business endeavor will evolve over time. The MMS RIK activity is no different. Changes in the marketplace will continue to happen and MMS must be prepared to adapt to those changes. From the information technology perspective, we believe that the adoption of COTS solutions provides the best and most effective strategy for continuing to have the tools to support the MMS RIK activity.

VALUATION

Question. What is the status of the current litigation challenging the new oil valuation rule that was put into effect last year?

Answer. The MMS published the final version of the rule in the Federal Register on March 15, 2000, effective June 1, 2000. Immediately following its publication, the American Petroleum Institute and the Independent Petroleum Association of America filed a complaint in U.S. District Court for the District of Columbia (*IPAA* v. *Norton* and *API* v. *Norton*).

The Department of Justice recently submitted the Administrative Record for this case. The court set a briefing schedule with the plaintiffs' first brief filed January 24, 2001, and the Government's responsive brief followed on April 13.

Question. Is a significant ruling expected in the near future?

Answer. There will be opportunities for additional briefs to be filed by both parties. Resolution of these cases is not expected soon.

Question. Could RIK be used on most federal production so that valuation disputes could be minimized?

Answer. One of the benefits of RIK is that it minimizes valuation disputes and the resulting litigation. However, decisions to take royalty in kind are based on several factors, such as:

—Simplicity, accuracy, certainty for lessees and government;

—Revenue neutrality (or better) for government; and

—Reduced administrative burden for lessees and government.

Through the evaluation of the Wyoming oil RIK pilot, MRM identified areas where RIK is not an attractive alternative. This includes properties where the lease is not serviced by a pipeline, an aggregation point or properties with marginal production.

OFFSETTING RECEIPTS

Question. Almost one-half of the Minerals Management Service's budget is derived from offsetting receipts which come from rents collected by the agency on federal leases. The amount of offsetting receipt collections for fiscal year 2002 is significantly lower than it has been in the past two years. What explains this large decrease?

Answer. The Minerals Management Service (MMS) receives approximately half of its budget from rents derived from offshore leases. Subject to a cap described in the annual Interior and Related Agencies appropriations bill, MMS has been allowed by Congress to retain any increase in per acre rental rates put into effect since August 1993. Income from the pre-August 1993 rental rates and any rental income collected above the Congressional Cap are deposited to the Treasury's General Fund.

The Congressional CAP has been reduced by approximately $21 million from fiscal year 2000 to fiscal year 2002 as the projected income available to MMS from rental rates declined. During this period, total rents, which include amounts deposited to the Treasury as well as the portion available to MMS, have remained virtually unchanged.

Question. Recent information provided to the Committee suggests that offsetting receipts may, in fact, be higher than the agency's initial projections that were included in the Budget. Is this the case?

Answer. Yes. Sale 178 in the Central GOM produced rents that were slightly higher than MMS projected.

Question. If so, how much more is the agency expecting in offsetting receipts?

Answer. Sale 178, conducted in March 2001, is expected to bring in slightly more rental income than had been projected in the fiscal year 2002 President's budget. The following table gives a comparison of projected rental income from the President's budget and data from the sale. The exact amount of rental income will not be known until all bids have been accepted or rejected.

COMPARISON OF PROJECTED AND ACTUAL RENTAL INCOME FROM SALE 178

[In millions of dollars]

	President's budget	Sale data	Change
Gross Rents	10.96	16.87	5.91
Rents Available to MMS	5.53	8.55	3.02

Question. Given the higher prices for oil/gas which have increased interest in drilling does the agency expect offsetting receipts to increase at some point in the future?

Answer. While the current higher prices for oil and natural gas will have a positive impact on the amount of royalties collected by MMS, the impact on offsetting receipts through rents will be minimal. The reason for this minimal impact is that the most promising tracts in the central and western Gulf of Mexico are currently under lease. Additionally, rental payments stop as tracts move into production. Since higher prices provide incentive to begin production as soon as possible, MMS rental revenue may decline even faster as a result.

REENGINEERING

Question. The agency's budget indicates that the reengineering effort that has been funded over the last two years will be completed in fiscal year 2001. Are there any significant issues that remain which might delay completion?

Answer. There do not appear to be any significant issues in the development of the new financial system, with completion scheduled for October 1, 2001. Acceptance testing begins this month, and MMS has planned operationally and financially for all reasonably likely contingencies. Nevertheless, some companies have expressed concerns that their system development will not coincide with that of MMS. MMS has agreed to work closely with those companies, to provide any information that will help with their development and conversion, and to provide some additional time for completio n of their development and implementation.

Question. When does the agency expect to see true gains from this effort in terms of more efficient, accurate collection of royalties?

Answer. Many of the day-to-day efficiencies expected in the new system should be apparent soon after implementation. This includes consolidation of most of the more than 40 stand-alone systems used for many of the financial processes. States will benefit almost immediately with the implementation of disbursements within one business day for those states desiring more frequent disbursements. The benefits of electronic commerce with more than 4,000 companies will be realized as soon as these companies are converted to the new system and to our electronic commerce vendor. Companies, states, tribes and other Federal agencies will have more immediate access to their relevant information through our web site, rather than receiving paper sent by mail. This benefit also should be realized soon after October 2001.

While the new compliance system will be operational on October 1, 2001, we are continuing to transition producing properties from the current system to the compliance and asset management (CAM) approach in order to reduce the compliance cycle from 6 to 3 years or less. Not only will the compliance cycle be reduced, but broader coverage of the lease universe will occur within available resources. While we will see some gains soon after October 1, 2001, true gains will not be realized, particularly from the large universe of onshore oil and gas leases, until fiscal year 2003.

Question. Have other stakeholders such as the industry, states, and tribes been pleased with the reengin eering effort?

Answer. Industry, states, and tribes have been significantly involved with MMS throughout the reengineering process, since as early as 1995. Industry, especially through many of its trade associations, has participated in the development of the new reporting forms, has provided comments to all of the public notices referencing the various changes, and has participated in numerous meetings with MMS to comment on the issues and the development processes. We have adopted many changes to the royalty report resulting from recommendations by industry. The solid minerals industry is particularly pleased with the new Internet-based reporting developed for solid minerals that replaces eight existing forms. Since testing of the financial processes has yet to start, industry reception of these changes can not be gauged at this time.

To minimize transition issues, MMS is providing group and individual company training in many cities through the summer of 2001. Detailed reporter handbooks have been written and will be provided by next month to all companies. MMS' website has extensive and timely information for all interested organizations relative to the reengineering efforts. This includes "Dear Reporter" letters, questions and answers, reference data listings, and all information necessary to develop the systems companies will use for the reporting. As problems and concerns arise, MMS responds to them as quickly as possible. MMS recognizes that all concerned entities including itself, are going through substantial changes during the next few months, but at the end, the reengineering effort will result in more relevant, timely and efficient reporting and payment of royalties to all of the recipients.

Industry, states, and tribes have been fully engaged in the development of the new compliance process through operational models that have been functioning since November 1998. The operational models have proven effective in testing and refining the CAM process, developing the requirements for the automated support systems, and beginning the transition of compliance personnel to the new operational process.

State and tribal auditors under FOGRMA 202/205 audit contracts with MMS have expressed some concerns about moving from the current 6-year audit process to a 3-year, end-to-end, property-based compliance process. MMS is confident that the new compliance tools that we are developing will allow us to provide greater coverage of onshore mineral properties within 3 years or less. To help alleviate the State and Tribal auditors concerns, we are involving them in the detailed development and testing of those tools. MMS is meeting jointly and individually with the State and Tribal audit delegations to address their concerns and to develop transition plans for their individual States and reservations. The transition of onshore properties will necessarily progress slower than offshore properties due not only to the fact that several organizations are involved in the compliance function for onshore, but due also to the size and complexity of the onshore lease universe.

Question. Are there any problems these groups see with the reorganization? If so, what are they?

Answer. MMS is not aware of any State, industry, or Tribe that have issues with the reorganization implemented in October 2000. The MMS has responded to questions received about whom to contact in the new organization by issuing "Dear Payor" letters to industry and providing briefings and contact lists to the States and Tribes.

GULF OF MEXICO

Question. The MMS budget includes an additional $7 million for increased activity in the Gulf of Mexico. Will this increase ensure that the agency does not accumulate a backlog of unprocessed drilling permits?

Answer. MMS anticipates that the additional resources requested will be adequate to process the projected increase in the number of drilling permit requests expected in fiscal year 2002. MMS will continue to monitor permit processing activities to ensure that adequate resources are available to process permits in a timely manner.

Question. Does the agency expect industry interest in the Gulf to remain high over the next few years?

Answer. Industry interest in the Gulf of Mexico is currently high and is expected to remain so in the near future. This expectation is based on the relatively high price of oil and gas and the large inventory of high quality prospects, especially in deepwater.

Question. Leasing in the Eastern Gulf of Mexico is considered by some to be controversial but given the existing moratorium on offshore drilling there are few places left where offshore leasing is authorized. What are the potential reserves for oil and gas in the Eastern Gulf?

Answer. The Eastern Gulf of Mexico is primarily a gas-producing area. The estimate of current gas reserves from known accumulations is 0.683 Tcf. The estimates of recoverable resources for the entire area is:

	Oil (BB)	Gas (Tcf)
Low level	2.351	10.024
Mean	3.576	12.306
High level	6.614	18.934

Question. What are the agency's future plans with respect to leasing in the Eastern Gulf and is this an issue that is being considered as part of the President's national energy strategy?

Answer. The issue has been discussed as part of the Energy Task Force review. The Department plans to rely upon the requisite statutory and regulatory processes to consider this controversial issue. Under the current schedule for proposed Lease Sale 181, MMS is preparing its final EIS for release this summer, and will base its decision on this analysis and the other balancing factors provided under the Outer Continental Shelf Lands Act, including economic and energy benefits and concerns of the affected states.

DESTIN DOME

Question. What is the current status of the Destin Dome project located off the Alabama and Florida coastlines?

Answer. Chevron appealed the State of Florida's denial of consistency to the Department of Commerce (DOC). The Interior Department provided comments on the appeal, and prepared a preliminary Final Environmental Impact Statement for DOC to consider. The appeal decision is currently before the Secretary of Commerce.

Question. When will the coastal zone management determination be finalized?

Answer. This depends on when the Secretary of Commerce makes his decision.

Question. If a favorable decision is made by the Secretary of Commerce on the Coastal Zone Management appeal, how soon could this project be brought into production?

Answer. Once Chevron has all permits it will take approximately 30 months to bring the project on line.

Question. What are the expected reserves of natural gas from this field?

Answer. The Chevron project (DD56) currently has 3 wells drilled into a single reservoir. There are 2 additional untested traps within the unit area. Estimated gas reserves from this reservoir are 0.57 Tcf.

The estimate of resources for the Destin Dome Unit, including the 2 untested traps, is from one to three tcf of conventionally recovered natural gas.

EVERGLADES RESTORATION

Question. The budget request includes a $39 million increase for activities associated with restoration of the Everglades ecosystem.

How will the Department ensure that its continuing investment in restoration of the Everglades natural areas is realized, and not diminished by competing demands from other aspects of the restoration effort (urban water supply, etc.)? What management and planning systems are in place to ensure that this will happen?

Answer. Ensuring that the benefits to the natural system from restoration activities are achieved and maintained is the highest priority for the Department in its Everglades restoration effort. While providing for other water related needs of the region will result from the implementation of the Comprehensive Everglades Restoration Plan (CERP), the overarching purpose is unequivocally natural system restoration, including restoration of Everglades Nation Park and other lands managed by the Department. To ensure that natural system benefits are not diminished by competing demands we will work with the Department of the Army and the State of Florida to develop programmatic regulations to establish clear procedures for ensuring that the restoration projects are consistent with this overarching purpose. Required as part of the recently enacted CERP legislation, these regulations will also establish interim restoration standards that will allow us to evaluate the implementation of this 25-year project. In addition, we will be working with the State and the Army on the development of an agreement that will ensure that the State reserves the water from CERP projects that has been allocated to the natural system.

To coordinate and facilitate the Department's many activities in the Everglades, the Secretary has established the Office of Everglades Restoration, located in Florida, to coordinate the actions of the Department's Bureaus with each other as well

as with other Federal agencies, the State, Tribes, local governments, and the public. This will help ensure that the restoration efforts are planned and undertaken in an efficient and effective manner.

MAINTENANCE BACKLOG

Question. The President has established a laudable goal of eliminating the National Park Service's deferred maintenance backlog in the next five years. This commitment is reflected in the Budget request in a number of places.

Is there an official measuring stick that this Committee can use to evaluate progress toward this goal? Is the deferred maintenance estimate in the Department's annual "Accountability Report" such a measuring stick, or will the Department use other measures?

Answer. An "official measuring stick" does not yet exist. One measure could be the progress of reducing the deferred maintenance backlog by annually comparing the amount of funding applied against the previously identified deferred maintenance estimate. But, the total deferred maintenance estimate is not a static number and it does not reveal what the outcomes are (such as the improvement in condition).

Therefore, the National Park Service is putting into place a process that will provide a true measurement of accomplishment. The process consists of:

—Performing comprehensive condition assessments on assets that will identify the degree of deficiencies existing at the time of the inspection and reporting.
—Utilization of a standardized, Servicewide cost estimating tool to cost out the identified deficiencies.
—Determination of the replacement cost for each asset that is assessed.
—Based upon the information gained from the steps above, calculation of the facility condition index for each asset assessed, which in turn generates a condition code of good, fair, or poor.
—As resources are applied to correct asset deficiencies, the facility condition index will change, resulting in a condition change that is measurable.

Question. Please describe the Department's progress in implementing the computer system that is designed to manage and track the deferred maintenance projects. Are the necessary resources included in the budget request to fully implement the system? Will further increases in future years be required for full implementation?

Answer. The MAXIMO software program was selected by the National Park Service and approved by the Department of the Interior for its adaptability to reflect the current National Park Service facility management needs and its ability to accurately report the resultant outcomes of resources applied to the operation and maintenance of National Park Service facilities. An initial deployment to pilot the software system in 30 NPS units was successfully concluded in fiscal year 2000. The term "deployment" means that a park has access to the software system. The system is being deployed in an additional 90 units in fiscal year 2001. The Asset Management Program (AMP) process was implemented in some of the original pilot parks in January 2001. A needs assessment selection process has been developed to prioritize park assets for evaluation. The pilot parks will utilize/test the AMP process, identifying facility deficiencies to be corrected. The NPS has projected that with requested funding the Service will accomplish deployment of FMSS to all 384-park areas by the conclusion of fiscal year 2003. It is the NPS' intention to provide a Comprehensive Inventory that is consistent with the implementation of the FMSS. The estimated backlog will be refined and updated annually and collaterally with the FMSS process.

The budget request would provide a total of $3.5 million for fiscal year 2002 and is representative of the annual expected maintenance requirements for the software system for fiscal year 2003. In subsequent years after the system is acquired, approximately $2.1 million per year will be required.

Question. Is it possible that when this system is fully on-line that an entirely new baseline for the backlog will come to light? Will we find ourselves facing a $10 billion backlog because parks are more carefully documenting every conceivable maintenance project?

Answer. Yes, it is probable that comprehensive facility condition assessments will result in an increase in the total dollar backlog because of improved identification of existing deficiencies and more accurate cost estimates of the identified deficiencies. The National Park Service manages a complex diversity of facility types. In managing its facilities, the NPS has not had the benefit of a comprehensive asset inventory by age, type, size and number for many years, if ever. The physical condition, functionality, suitability and life expectancy of facilities and the backlog of de-

ferred maintenance requirements are not adequately documented at this time. However, the Service has begun a process to provide comprehensive asset inventory and condition information. A Servicewide desk audit of inventory was conducted in 1997 and updated in 2000. The information from this inventory is being utilized as a starting point for the development of the comprehensive inventory. Additionally, the Service is using existing data from the Federal Highways Inventory of Roads and the NPS Housing Inventory. The NPS is utilizing the recently developed Facility Management Software System (FMSS) with a standardized cost-estimating tool to produce a comprehensive list of assets that will document current condition and anticipated repair and rehabilitation needs for the facilities. The backlog maintenance identified through this effort will be imported into the Project Management Information System and prioritized for funding and accomplishment. Because of the thoroughness of this process, it is anticipated that this process will identify an even greater amount of overall deferred maintenance but at this time we have no way to judge the size of the increase. As comprehensive condition assessments are completed, the Department will be analyzing results. For instance, in the recently completed U.S. Geological Survey's comprehensive condition assessments of nine science centers, an approximately 30 percent increase in the deferred maintenance backlog was documented. However, this 30 percent factor cannot be projected for NPS because enough data are not yet available.

The Budget Blueprint states that 60 percent of National Park Service fee demonstration revenue will be dedicated to "deferred maintenance needs" as part of the Presidential commitment to eliminate the backlog over a five year period. The Department's fiscal year 2000 report on the fee demonstration program states that 61 percent of NPS fee demonstration revenues are currently dedicated to "deferred maintenance or critical health and safety issues."

Question. Do these numbers mean that NPS will continue to apply roughly the same percentage of fee revenues to the maintenance backlog, or are the figures not directly comparable? Explain.

Answer. No, the figures are not directly comparable. The requirement to dedicate 60 percent of the fee revenue to address deferred maintenance needs will be a sizable increase in the amount of fee receipts dedicated to deferred maintenance. Our best estimate at this time is that approximately 47 percent of the funding approved to be undertaken from fee receipts (over the lifetime of the fee demonstration program) has been identified as addressing deferred maintenance needs. While this percentage has been increasing in recent years, the current amount is less than 60 percent.

The Annual Interagency Report stated for fiscal year 2000, 61 percent of the approved projects addressed "deferred maintenance or critical health and safety issues." It is important to note that this estimate also includes "health and safety projects," (such as the installation of bear-proof lockers) which are not necessarily categorized as deferred maintenance.

However, in order to expedite progress on eliminating the backlog, the NPS plans to dedicate increasing amounts of fee receipts to deferred maintenance projects beginning in fiscal year 2002.

Question. The Fish and Wildlife Service, the Bureau of Land Management, and the Bureau of Indian Affairs also have deferred maintenance backlogs of some magnitude. How does your budget address the issue of deferred maintenance in these bureaus?

Answer.

Bureau of Indian Affairs

The BIA's fiscal year 2002 budget request addresses deferred maintenance backlog as follows:

For the Bureau of Indian Affairs (BIA) non-resource management programs, the BIA's Facilities Management Information System (FMIS) produces cost estimates that are updated on a daily basis. Field users add, update, and complete deficiency items as they occur, therefore, this data is not static. As of January 2001, the total BIA deferred maintenance backlog for facilities is $1.4 billion. The deferred maintenance backlog for education facilities, estimated, at $942 million, makes up the largest portion of the total, with the remainder attributed to employee quarters, public safety facilities, and general administration facilities.

Funding in fiscal year 2001 is expected to reduce the deferred maintenance backlog for education facilities by $109.2 million to $832.6 million. Funding at the fiscal year 2002 request level would reduce the backlog an additional $140 million to an estimated level of $692.6 million. Highlights of fiscal year 2002 funding for facilities repair follow.

Education Facilities: $161.6 million is requested for facilities improvement and repairs. Within this amount are the following amounts: $61 million for Major repairs and improvements at 10 schools and dormitories; $45.9 million for preventive and cyclical maintenance; $3 million for portable classrooms, $6 million for roof repairs and replacement; $4 million for continued backlog validation and update; $14.2 million for minor repairs and improvements at multiple school locations; $11 million for plan and design future year projects in the BIA's five-year deferred maintenance plan; $11.7 million to address critical environmental issues; $2.2 million to address emergency work, and $1.5 million to demolish existing buildings which are no longer necessary for program need.

Employee Housing: $3.1 million is requested for condition surveys, upgrades of fire alarm and detection systems, installation of ramps and fixtures to met accessibility codes, and repairs to meet health and environmental codes.

Public Safety and Justice Facilities: $5.5 million for facilities improvement and repairs. Of this amount $1.4 million will be used to address deferred maintenance related to emergency repairs, minor repairs, environmental work and inventory validations in law enforcement facilities and $4 million for structural fire protection (fire sprinkler systems, fire alarms, fire stations, fire trucks, fire fighting equipment.

General Administration Facilities: $8.4 million requested to address deferred maintenance related to emergency repairs, minor repairs, environmental work and inventory validations, and seismic safety work in offices, warehouses, shops, fire stations and other support facilities.

A copy of the BIA's Five-Year Facilities Maintenance and Construction Plan, which provides more details on projects planned in the various budget subactivities from fiscal year 2002 to fiscal year 2006, is submitted to the Subcommittee.

Bureau of Land Management

The goals of the BLM maintenance program are to protect visitor safety, maintain the public investment in facilities and transportation systems, provide universal accessibility and promote wise use of public lands. To attain these objectives it is incumbent on the Bureau to reduce and ultimately eliminate the existing backlog of maintenance needs.

Correction of the current deferred maintenance needs will be obtained through a focused expenditure of funding and personnel resources as directed by the Five Year Deferred Maintenance and Capital Improvement Plan. The Five Year Planning process results in a priority ranked listing of all known corrective maintenance actions necessary to protect public health and safety and facility value and maintain the facility in an operable status.

The Five Year Planning process has been invaluable to the BLM in helping to identify and correct our deferred maintenance and construction needs. This process provides the BLM with the information it needs to prioritize workloads within available resources in an effective manner. This process has been especially useful with the recent availability of the Conservation Preservation and Infrastructure Improvement funding. The proposed President's Budget for fiscal year 2002 will provide for the needed corrective actions on 164 deferred maintenance projects at a total cost of $44.4 million. The goal of the BLM is to eliminate the current backlog of maintenance needs while preventing the development of new problem situations. The President's Budget request for fiscal year 2002, and the continued availability of funding at a comparable level, should ultimately achieve this goal within the next 6 to 10 year period. This objective however, is predicated on the requirement that sufficient funding is available on a continuing basis to assure that annual and cyclic maintenance needs are achieved.

Fish and Wildlife Service

The 2002 budget request proposes an increase of $10.0 million to address maintenance needs of the National Wildlife Refuge. This request includes an additional $1.9 million in salaries and benefits for 33 maintenance workers and an associated increase request of $2.2 million in annual maintenance that will allow maintenance workforce to accomplish preventive maintenance projects, keeping them from being added to the backlog. In addition, a $6.0 million increase is requested to address deferred maintenance, bringing total 2002 funding for deferred maintenance to $65 million.

NATURAL RESOURCE CHALLENGE

Question. The President's budget reflects his commitment to support the Natural Resource Challenge, an effort to expand our scientific understanding of park resources.

Does the $1.2 million increase requested for Yellowstone bison management fully fund the bison management plan? Assuming the increase is provided, do you anticipate the need for any additional increase in fiscal year 2003 or beyond? Are funds included in the U.S. Department of Agriculture budget to implement that management plan? If so, how much and for what activities?

Answer. The request will provide the National Park Service the ability to fully meet its responsibilities under the Interagency Bison Management Plan as described in the Final Environmental Impact Statement (Volume 1, pp. 177–195) and Federal Interagency Record of Decision (pp. 21–34). No additional increase in fiscal year 2003 or beyond is anticipated to meet NPS responsibilities under the approved Interagency Bison Management Plan. The USDA–USFS is expected to provide support for ongoing planning, compliance, and habitat acquisition or management. The USDA–APHIS is expected to provide extensive support for the Interagency Bison Management Plan including cattle brucellosis testing and vaccination, cattle herd disease-free certification, and cooperative funding support for bison management outside the park. At this time, the NPS has not been advised of the status of USDA budget planning for bison management during fiscal year 2002 or beyond. The Final Environmental Impact Statement displays an expected combined annual cost of between $1.2 and $1.5 million for the USDA.

Question. An increase of $2.4 million is requested for native and exotic species control. How will the expenditure of these and other base funds be coordinated with neighboring landowners to maximize the efficiency of exotic species management?

Answer. At least 2.65 million acres of national parklands are infested by invasive plant species. Coordination with local, regional and Federal partners to maximize efficiency of exotic species management is a key component of the NPS exotic species management response including the proposed six additional Exotic Plant Management Teams (EPMTs) and the current four EPMTs in operation. The success of the EPMT derives from its ability to adapt to local conditions and needs. Each team employs the expertise of local citizens and the capabilities of local agencies. Priorities for control are determined by the following factors: severity of threat to high quality natural areas and rare species; extent of targeted infestation; probability of successful control and potential for restoration and opportunities for local public partnerships. Each Exotic Plant Management Team proposed for funding was required to successfully address the following criteria: "The proposed plan effectively combines and coordinates actions with activities of surrounding landowners or other stakeholders." For example, the Exotic Plant Management Team of Florida provides excellent illustration of the effectiveness of local partnerships. The Florida EPMT formed a partnership with the Upland Invasive Plant Management Program of the Florida Department of Environmental Protection and approximately 136 other groups in the program to control invasive plants. Together they fund removal of exotics in eleven units of the National Park System in Florida.

Question. Please provide for the record a table that displays the major subactivities that comprise the Natural Resource Challenge, the total increases provided for those subactivities to date, and the increases requested for fiscal year 2002.

Answer. A table that displays the major subactivities that comprise the Natural Resource Challenge, the total increases provided for those subactivities to date, and the increases requested for fiscal year 2002 follows:

NATURAL RESOURCE CHALLENGE FUNDING HISTORY

[In thousands of dollars]

Funding elements	Fiscal years—					
	1999 Base [1]	2000 change	2001 change	2002 requested change	2000–2002 increases	Total 2002 request
NATURAL RESOURCE CHALLENGE CATEGORIES:						
Complete basic natural resource inventories, except vegetation mapping [2]	5,787	7,309	.....	.....	7,309	13,096
Vegetation mapping cost-share with USGS	.....	.....	1,746	.....	1,746	1,746
Monitor vital signs in networks of parks	.....	.....	4,191	4,200	8,391	8,391
Expand water resource protection and restoration [3]	4,754	.....	823	1,000	1,823	6,577
Monitor water quality in parks and assess watershed conditions	.....	.....	1,272	.....	1,272	1,272

NATURAL RESOURCE CHALLENGE FUNDING HISTORY—Continued

[In thousands of dollars]

Funding elements	Fiscal years—					
	1999 Base [1]	2000 change	2001 change	2002 requested change	2000–2002 increases	Total 2002 request
Expand air quality monitoring and related activities	6,285	.....	.....	2,600	2,600	8,885
Inventory air emissions in parks [4]	.....	.....	200	.....	200	200
Make natural resource data useable for management decisions and public [5]	455	.....	1,098	.....	1,098	1,553
Expand NRPP project fund, specialized inventories, training	5,432	2,875	.....	4,000	6,875	12,307
Create native/nonnative program/field teams for nonnative species management	.....	3,449	.....	2,400	5,849	5,849
Protect geologic resources [6]	1,918	696	.....	.....	696	2,614
Increase park bases for nonnative and threatened and endangered species recovery [7]	25,693	.....	3,395	3,200	6,595	32,288
Establish Learning Centers	.....	.....	898	1,800	2,698	2,698
Establish CESUs	.....	.....	1,596	.....	1,596	1,596
Establish resource protection fund	.....	.....	.....	300	300	300
Implement Resource Protection Act to restore resources	.....	.....	.....	500	500	500
Total, Natural Resource Challenge	50,324	14,329	15,219	20,000	49,548	99,872
NON-CHALLENGE NATURAL RESOURCE CATEGORIES: [8]						
Park Base	31,402	5,046	6,014	2,235	13,295	44,697
Regional Project Programs	2,093	.....	.....	.....	.....	2,093
Servicewide Project Programs [9]	2,216	−23	8	12	−3	2,213
Central Office Support [10]	8,196	1,731	1,498	156	3,385	11,581
Total, Non-Challenge Natural Resources	43,907	6,754	7,520	2,403	16,677	60,584
EVERGLADES RESTORATION AND RESEARCH	12,800	−4,092	1,299	862	−1,931	10,869
Total	.....	16,991	24,038	23,265	64,294	171,325
TOTAL NATURAL RESOURCES APPROPRIATION BY YEAR [11]	107,031	124,022	148,060	171,325	.....	171,325

[1] Enacted amount shown in fiscal year 2000 Budget Justification.
[2] Fiscal year 1999 figure includes program support and $895,000 for monitoring projects; in addition, $2.2 million appropriated for this program was previously transferred to parks for their prototype monitoring activities.
[3] Part of larger Water Resource Program; Water Quality Monitoring will be included in this total in the Budget Justification.
[4] Included in Budget Justification as Air Quality Program, with air quality monitoring, shown separately here.
[5] In fiscal year 1999, these funds were not shown separately in the Park and Program Summary.
[6] Part of a larger Geologic Resources Program that also includes Abandoned Mine Land Restoration and other mining and minerals-related activities.
[7] Estimated amount in park bases, prior to the initiation of the Natural Resource Challenge, devoted to activities related to invasive and threatened and endangered species management. Estimated amount is derived from park base amounts contained in official NPS accounting system, adjusted to reflect portions of amounts identified against GPRA Goals (Ia1 and Ia2).
[8] Primarily consists of ''uncontrollable changes'' (i.e., pay cost) and park specific increases (outside the Challenge) affecting natural resources. Small amounts of uncontrollable changes affecting base amounts in Natural Resource Challenge categories are included here. Uncontrollable changes to base have not been tracked in the Natural Resource Challenge numbers.
[9] Oil Pollution Program and Geographic Information Program.
[10] Includes Headquarters and Regional Office support
[11] Comprised of the following three Program Components included as part of the Resource Stewardship Budget Subactivity in ONPS: Natural Resource Research Support; Natural Resources Management, and Everglades Restoration and Research.

HISTORIC PRESERVATION FUND

Question. The budget request reduces many of the programs that received additional funds in Title VIII of the fiscal year 2001 Interior bill. Unlike many of these programs, however, the activities supported by Historic Preservation Fund grants-to-states are not eligible for the modified Stateside grant program. As such, the budget proposes a very real $15 million reduction below the fiscal year 2001 level.

Is this reduction based on departmental views of program performance, relative needs, or on some other philosophical reason, or is this simply an instance of having to make reductions to meet overall budget constraints?

Answer. Competing demands require prioritization of available funding. The Administration's highest priority for the NPS 2002 budget is to address the maintenance backlog that threatens the continued operation and enjoyment of our national parks and to provide full funding of the Land and Water Conservation Fund. Nevertheless, the Administration has revised its fiscal year 2002 Budget request to include a request for $30 million to continue the Save America's Treasures grants program.

RECREATION FEE DEMONSTRATION PROGRAM

I note that the budget request assumes a four-year extension of the recreation fee demonstration program.

Question. Does the Administration intend to submit an actual legislative proposal to extend the program? If so, when?

Answer. The Department is currently preparing a legislation proposal for the recreation fee program. We will work closely with the Office of Management and Budget (OMB), and expect to provide this to Congress soon.

Question. If no legislative proposal is to be submitted, does the Department intend to convey to the Committee through other means any specific recommendations as to whether and how the fee program should be modified if made permanent?

Answer. The Department does plan to submit a proposal.

While the authorities provided under the fee demonstration program are fairly broad, its primary purpose was clearly to reduce the maintenance backlog and provide enhanced visitor facilities. I am a bit concerned that fee demonstration funds may increasingly be being used for activities of a more ongoing, operational nature. While these activities may well be important priorities, there is a risk inherent in supporting them with revenues from a program that remains subject to annual reauthorization.

Question. What, if any, is departmental policy in this regard? Do the individual bureaus have specific policies?

Answer. The Department is committed to ensuring that recreation fee receipts are used for the purpose that Congress intended. The individual bureaus also have specific policies on how recreation demonstration fees can be spent. For example, the current NPS guidance to managers in the field specifically states that fee receipts cannot replace or supplement appropriated operations funding. The current policy of the BLM is that fee receipts should first be spent on reducing the maintenance backlog and improving existing facilities and programs. The current FWS policy emphasizes that fee receipts should be spent on projects that provide a visible benefit to the public; tied as closely as possible to the recreation fee that the visitor has paid. If a refuge cannot use its fee receipts in a manner directly tied to visitor use, deferred maintenance projects are the next priority for spending fee receipts.

Question. Are fee demonstration revenues currently being used to support permanent FTEs within the various Interior bureaus? If so, how many and for what general purposes? What would happen to these positions if the fee demonstration program were not to be renewed?

Answer. Fee receipts can be used to cover the cost of an approved project as well as the cost of collecting the fees. This includes the salaries of employees that are directly involved in collecting or supervising the collection of recreation fees. The bureaus have endeavored to ensure that fee receipts are spent on projects rather than on FTEs. Less than 20 percent of fee receipts are spent on collection operations.

The NPS pays employees through the recreation fee program if they are directly involved in collecting fees, or if their labor is directly tied to the project. For example, temporary workers that are hired as part of a trail maintenance project would be paid through the recreation fee program. There are approximately 280 permanent FTE within NPS that are involved in collecting fees and are totally supported by recreation fees. While this number may appear large, it is important to note there are 137 NPS sites where recreation demonstration fees are collected.

Within the BLM, any labor that directly supports a recreation fee project can be billed to the project; therefore some temporary workers are paid through recreation fee receipts. Recreation fee collection is generally a collateral duty of permanent staff, with only a portion of their salaries paid through the recreation fee program. BLM has approximately 4 FTE totally supported by recreation fees.

The FWS charges recreation fee project costs in a similar fashion. There are approximately 7 FTE that are totally supported by recreation fees.

Non-renewal of the recreation fee program would eliminate a source of funding for much needed projects that benefit visitors and would require base operational funding to cover the cost of collecting entrance fees.

Question. As the fee program continues to help parks make progress against deferred maintenance and other project needs, will there be an inevitable pressure by parks to use more and more fee dollars to enhance ongoing operations?

Answer. The NPS is reviewing these types of issues in consideration of extension of the program. The National Park Service's policy on spending fee receipts currently prohibits replacing or supplementing appropriated operations funding. In addition, the project approval process is designed to prevent a park from using fees to enhance ongoing operations. At a minimum, all projects must be approved at the regional level. All projects funded through the 20 percent funds (receipts that are divided among smaller parks) that have an estimated cost greater than $100,000 and all projects funded through the 80 percent funds (fee receipts that can be retained by the collecting park) that have an estimated cost greater than $500,000 are reviewed by the Department, OMB, and Congress.

The examples of fee demonstration projects provided in the annual report for the Fish and Wildlife Service include many outreach and education projects and programs.

Question. Given the relatively small amount of fee demonstration funds available to the Service, why are these types of project a higher priority than more basic maintenance of visitor facilities or resource protection?

Answer. While improving the visitor experience is a high priority for FWS fee managers, significant amounts of recreation fee receipts are spent on other types of projects. At the end of fiscal year 2000, 10.8 percent of FWS recreation fee receipt obligations were for health and safety maintenance projects, 3.2 percent were for resource protection, 16.1 percent were for collection costs, 58.6 percent were for visitor services, and 11.3 percent were for "other".

It is also important to note that many of the refuges that are demonstration sites do not generate the high level of receipts that would enable a refuge to undertake major maintenance recreation fee projects such as replacing a water treatment system.

There is currently a set-aside within the 20 percent fund for conservation corps work and for ADA compliance projects.

Question. Will these set-asides be continued?

Answer. In 2001, the NPS set aside $5 million from 20 percent funds for accessibility projects at smaller parks. This was a one-time commitment, but that does not preclude that the commitment could be made again. Previous to this set-aside, NPS devoted recreation fee money toward accessibility projects, so it is likely that NPS would continue to do some accessibility projects if the set-aside were not continued.

Recreation fees from the service-wide 20 percent funds have been set aside for Public Land Corps (PLC) for the past three years. These dollars are used as matching funds for small projects in parks. These projects are primarily deferred maintenance.

The BLM and FWS do not have set aside programs.

BISON MANAGEMENT

Question. When does the NPS expect to begin a brucellosis vaccination program for the bison in Yellowstone National Park?

Answer. The Federal Interagency Record of Decision (page 26, Item 6) states that the National Park Service is expected to initiate a brucellosis vaccination program of vaccination eligible bison inside the park with a (safe) and effective delivery system during winter 2003–2004. This date is consistent with the timelines for expected completion of ongoing research on brucellosis vaccine (RB51) safety and efficacy, field-testing and validation of a vaccine delivery system, and NEPA compliance on the vaccine delivery system.

Question. What delivery systems are being considered and when will a decision on the delivery system be finalized?

Answer. The Federal Interagency Record of Decision (page 22) describes the need for "a program for delivery of a safe and effective vaccine to vaccinate eligible bison inside Yellowstone National Park so as to decrease the risk of transmission of brucellosis and diminish the overall (prevalence) of brucellosis in Yellowstone bison." Consistent with the completion of ongoing research on brucellosis vaccine (RB51) safety and efficacy, during 2001–2003 the National Park Service is leading the development of a remote-ballistic vaccine delivery system. A remote-ballistic vaccine delivery system will utilize a biodegradable pellet (bio-bullet) that is fired at a distance of 30–50 meters from a compressed-gas or conventional rifled cartridge. The

remote-ballistic vaccination delivery system will be simple, practical, and safe, and minimize to the degree possible disturbance of the natural and human environments of the park. A decision on implementation of the delivery system is expected in 2003.

Question. What additional research, if any, needs to be completed before such a vaccination program can begin?

Answer. Initiation of an in-park bison vaccination program in winter 2003–2004 is contingent on completion of two principal research programs being conducted jointly by the NPS, USGS/Biological Resources Division (BRD) and USDA/Agricultural Research Service (ARS). This research includes the completion of studies on the safety and efficacy of the RB51 brucellosis vaccine (expected completion in 2002), and refinement and field-testing of a safe and effective remote-ballistic delivery system (expected completion in 2002–2003). NEPA compliance and a decision to implement the delivery system are expected in 2003.

Question. Are adequate funds included in the fiscal year 2002 budget request to complete this research and begin implementation? Are other agencies within the Department of the Interior contributing to this effort? If so, what funds are being requested for these agencies and in what activities?

Answer. The fiscal year 2002 NPS budget request includes continuation of funding to satisfy its interagency research and development responsibilities for an in-park bison vaccination program. The NPS is collaborating with USGS–BRD in research on the technologies (such as non-toxic biomarkers, biodegradable bio-bullets, delivery firearms) necessary for a remote-ballistic vaccine delivery system. A comprehensive interagency brucellosis research program under the lead of USGS–BRD operates under an August 2000 Memorandum Of Understanding (MOU) with the National Park Service and the U.S. Fish and Wildlife Service. Annual funding under this MOU is negotiated by each agency for a wide array of brucellosis related research projects (in fiscal year 2000 the NPS funded $300,000 of the $850,000 total interagency contributions; fiscal year 2001 funding and work plans are being developed). The current USGS–BRD research plan shows a commitment for continuation of collaborative research on an in-park remote-ballistic vaccine delivery system through fiscal year 2003. The fiscal year 2002 NPS budget request also includes a request for $1.2 million in funds for Yellowstone National Park to begin implementation of the bison vaccination program.

Question. How are DOI's efforts being coordinated with USDA activities in this area?

Answer. Coordination of DOI research efforts for an in-park bison vaccination program occurs through a MOU (August 2000) between the NPS, U.S. Fish and Wildlife Service, and U.S. Geological Survey. The NPS serves as the lead for planning and compliance for an in-park bison vaccination program. NPS staff are in regular contact with USDA–ARS staff on their efforts, testing, and evaluating of vaccine safety and efficacy. Coordination between DOI and USDA also occurs through interagency participation in the Greater Yellowstone Interagency Brucellosis Committee.

GRAND CANYON TRANSPORTATION SYSTEM

Question. The Department is currently reviewing the proposed Grand Canyon transportation system pursuant to the requirements of the Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 2001.

What is the review? Are sources being consulted in this effort that were not consulted during development of the original plan? Is there significant new information now available that was not available during development of the original plan?

Answer. The NPS is conducting a technical and financial evaluation of four alternatives to the light rail transit option the agency was prepared to release to bidders last November. The report on the findings will include the light rail option for comparison. All options include rubber-tired bus technology in a variety of roadway and station configurations. In addition, an evaluation of seasonal transit options and an examination of the viability of seasonal bus sharing with winter-peak transit operators will be included. The report is expected to be submitted to the House Subcommittee on Appropriations for the Interior Department in July, 2001.

Two pieces of information spurred the requirement for this analysis and report. First, projections of visitation to the park were revised in 1999 based on six years of relatively flat visitation growth. Those revisions reduced the anticipated demand for transit in the short term and pushed high demand into later years. Second, there were questions in Congress and in the NPS about whether the light rail project would be economically viable for a private concessioner at a ticket price reasonable to visitors. The system was proposed for concessioner financing, to be operated over 20 years, and to be paid for on a per-person basis by visitors. In order to keep ticket

prices low, the park proposed to reduce its entrance fee. This created another problem in that it reduces the receipts available for the project. The new analysis will address these two issues, as well as a review of the previous analysis. As described below, NPS consulted with a wide variety of people and organizations with a great deal of knowledge of this industry.

Question. Has NPS consulted with Wall Street investors about the viability of a privately financed rail project? Has it consulted potential bidders concerning the private sector's ability to eliminate or mitigate the Federal Government's economic risk in a privately financed project?

Answer. In crafting the concession contract, the NPS consulted with KPMG Consulting to explore various funding options and perform the financial analyses necessary to proceed. Several bonding scenarios were explored through not-for-profit entities but none gave the NPS a level of comfort concerning the agency's ability to control the system's operation on Federal lands. Therefore, although at higher cost, a privately financed system was proposed. The NPS pre-qualified five bidding teams including a wide variety of industry-leading firms, in January of 2000. A draft Request for Proposal (RFP) was prepared and sent to the teams for comment in summer of 2000. Comments were incorporated and a final RFP was prepared by November 1, 2000. At that point the process was halted for the reasons stated above. Through informal channels, the NPS understands bidders were interested or even enthusiastic about bidding on the project. However, concerns over prices at the entrance station and substantially reduced entrance fee revenues remain.

CONSTRUCTION

Question. The table on p. NPS–272 shows an fiscal year 2000 level of $18.845 million for recoveries of prior year obligations.

What are the sources of these recoveries, either by project or by general classification? Is the level of recoveries shown for fiscal year 2002 typical?

Answer. Recoveries result from obligations being incurred, then cancelled. On occasion, a contract for a project is awarded, the funds are obligated, and then the entire contract is cancelled. When the obligation in the accounting system is cancelled it counts as a recovery, even though a new contract is to be awarded for the same purpose. More often, recoveries are created when a contract is awarded and obligated for a fixed amount but completed for a lesser amount. In this case a recovery is recorded for the difference. These residual balances of funds are applied as needed to overruns on other projects or to cover emergency law and order/search and rescue costs in accordance with transfer authorities provided by Congress in annual appropriations bills. In fiscal year 2000, none of this money was used to cover emergency law and order/search and rescue expenses. Of the $18.8 million reported as recovered in fiscal year 2000, $5.0 million fell into the categories as described above. The largest share of the total reported resulted from making accounting corrections to obligations posted for reimbursable agreements. It is quite common for NPS to enter into reimbursable agreements for a fixed amount that proves to be in excess of the costs of executing the agreement. In fiscal year 2000 NPS accountants concentrated effort on cleaning up old reimbursable agreements and removing the portion of the obligation that remained unexpended. This transaction creates a recovery in the construction account where we capture all reimbursable activity. The NPS holds no residual funds as a result of this transaction, since the reimbursing agency provides reimbursement as actual costs are incurred. Examples of this type of funding include Title V and Title VI funding, which were appropriated to the Department rather than NPS, and Y2K funds. Total recoveries caused by these adjustments were $13.8 million in fiscal year 2000. The level for fiscal year 2000 will likely be repeated in fiscal year 2001 as the effort to clean up old reimbursable accounts is completed. In subsequent years, the total should remain small unless exaggerated by the effect of a cancelled construction project.

Question. To what other projects have these recovered amounts been applied? How are these decisions made?

Answer. In the case of true recoveries in a particular project account, the recovered funds remain in that specific account and are used for the original project for which they were originally appropriated. If the recovered amount represented a true savings (and not to be obligated again for the same purpose), the funds could be withdrawn and, in accordance with established policy, the savings used on other projects that have overruns. If the savings were large enough to meet the threshold for Congressional reprogramming, then a formal reprogramming action was initiated.

Question. The Administration's commitment to reduce the deferred maintenance backlog is part of the justification for the increase in the construction budget. Which

of the line item projects in the fiscal year 2002 request represent components of the deferred maintenance backlog?

Answer. Of the fifty-seven line item construction projects in the NPS fiscal year 2002 budget request, fifty-three will help reduce the deferred maintenance backlog of the National Park Service if funded. Forty-five have been classified as rehabilitation work on facilities for which maintenance has been deferred, including the request for a $5 million grant to the National Park Foundation that would match appropriated funds with non-federal monies to fund not yet identified NPS deferred maintenance projects. This also includes the Elwha River restoration project, which is a regulatory compliance project (Public Law 102–495).

Eight others involve capital improvements to solve critical health and safety situations where repairing a deferred maintenance situation has been determined unworkable or inefficient. It is important to note that the following "replacement" requests are considered maintenance projects because the deferred maintenance needs for the replaced facilities will be eliminated: new utility systems at the mainland unit of Apostle Islands National Seashore; completion of the rehabilitation of the Monroe School at Brown v. Board of Education National Historic Site; replacement of the Flamingo wastewater system at Everglades National Park; construction of a safe bicycle/pedestrian path at Gateway National Recreation Area; construction of a marine maintenance facility at Glacier Bay National Park and Preserve; replacement of the Apgar water system at Glacier National Park; replacement of the maintenance facility at Tumacacori National Historical Park; and replacement of the collections storage facility at Yellowstone National Park.

Of the four remaining requested line item projects, the modification of the water delivery system at Everglades National Park is the continuation of a project begun in fiscal year 1991 to save the Everglades ecosystem; the requests for Cape Hatteras National Seashore and Sequoia National Park are the completion phases of long term projects to protect resources, and; the Home of Franklin D. Roosevelt National Historic Site request is for the NPS share of a partnership project with the National Archives and Records Administration and donors to construct a joint visitor center/library.

OFFICE OF THE SOLICITOR

Question. What is the current status with regard to staffing of the Office of the Solicitor in fiscal year 2001?

Answer. The Office's current staffing level is 389 employees, including 343 funded by direct appropriation and 46 funded by reimbursable support agreements with the client bureaus. This level of staffing is expected to remain constant throughout the year.

Question. What steps are being taken to ensure that the Office can continue its mission with the funds available?

Answer. During fiscal year 2001, the Office is absorbing $1.4 million in uncontrollable cost increases. The Office has curtailed travel and training, cutback expenditures for supplies, legal books and subscriptions, frozen promotions, and limited hiring to filling only critical positions. These actions alone, are not enough to offset the $1.4 million absorption and the Office will be charging the client bureaus for half of this year's indirect costs associated with the 46 reimbursable positions. The Office will be able to continue providing quality legal services to the Department and its offices and bureaus.

Question. Will staffing reductions be necessary?

Answer. The Office does not foresee staffing reductions during fiscal year 2001.

Question. Does the increase for fixed costs requested in fiscal year 2002 anticipate or assume any extraordinary actions that may be taken in fiscal year 2001?

Answer. The Office's fiscal year 2002 budget request for anticipated adjustments in uncontrollable cost increases assumes funding for the same level of Office-funded staffing as fiscal year 2001. The increase does not anticipate or assume any extraordinary actions in fiscal year 2001.

OFFICE OF INSPECTOR GENERAL (OIG)

Question. The justification indicates that the Department intends to begin contracting for bureau financial audits rather than have the IG perform them in-house. How much does the IG estimate it is currently spending on these efforts by bureau?

Answer. In March 2001, the OIG completed the fiscal year 2000 financial statement audits of all Departmental bureaus and offices (except the National Park Service audit, which was conducted by KPMG). The OIG has begun oversight of audit work on the fiscal year 2001 financial statements, which are being performed by KPMG for all Departmental bureaus and offices. It is estimated the OIG will incur

approximately $5 million in costs by the end of fiscal year 2001—which includes completion of the fiscal year 2000 audit (from October 1, 2000 through March 1, 2001) and providing oversight of the fiscal year 2001 audit being conducted by KPMG, which has been awarded a one year contract to perform financial statement audits. This contract includes the option to renew up to four years. (See Enclosure 1 for costs by bureau). The OIG was reimbursed $1.6 million in fiscal year 2001 to offset its costs for performing this work.

Bureau	*Fiscal year cost* [1]
BIA	$692,366
USGS	491,823
BOR	652,956
BLM	420,237
FWS	594,733
OSM	102,910
DO	392,233
MMS	479,226
Bureau Subtotal	3,826,484
Consolidated Audit	306,432
Cost for contract support	162,000
Subtotal—DOI fiscal year 2000 audit	4,294,916
Estimate for oversight of first half of fiscal year 2001 Audit	682,322
Total Estimate for fiscal year 2001	4,977,238

[1] Fiscal year 2001 COST—for 2nd half of fiscal year 2000 financial statement audit PLUS oversight of fiscal year 2001.

In order to answer the question as posed (i.e., amounts funded and expended during fiscal year 2001), we must address workload efforts that cover two fiscal year financial statement audits. A financial statement audit for a given fiscal year is conducted over the course of two fiscal years (e.g., the audit for fiscal year 2000 was performed between June 2000 to March 2001—or from the latter part of fiscal year 2000 through the first half of fiscal year 2001). Unfortunately, this causes the answers to the Subcommittee's questions to be somewhat complicated. We are happy to discuss these answers further, if necessary.

Question. Which of these are being funded directly by the IG and which are being funded through reimbursable agreements with the bureaus?

Answer. The fiscal year 2001 audit, which began in early June, will be performed completely by KPMG and funded by the bureaus, including an equitable contribution from the OIG. The OIG will provide oversight for the entire audit, which will be completed March 1, 2002. For fiscal year 2001 (from June through September 30, 2001), the OIG estimates oversight costs to be $683,000.

For fiscal year 2002, total financial statement audit oversight costs are estimated to be $1,484,000. This covers completion of the fiscal year 2001 audit and the start of the fiscal year 2002 audit.

Question. By bureau, what amounts are included in the fiscal year 2002 request (for each bureau) to support financial audits?

Answer. The Department will provide this information for the committee.

The Justification indicates that 10 FTEs currently supported by reimbursable agreements will no longer be supported in that manner, and that 5 of these FTEs would be supported with the $835,000 programmatic increase requested.

Question. Do the remaining 5 FTEs represent a programmatic reduction?

Answer. Yes, the remaining 5 FTEs represent a program reduction. The OIG will absorb costs associated with these FTEs by not filling audit positions vacated during fiscal year 2001.

Question. With regard to the 5 FTEs that would be supported with the increase, what duties will they be performing?

Answer. The 5 FTEs that we request to be added to our direct appropriation are FTEs that are currently supported through reimbursable agreements with the bureaus. These FTEs would be supported by the requested $835,000 and would reflect a transfer from our reimbursable authority to our direct appropriation, rather than a program increase. These FTEs would be used to support oversight of contractor work on the financial statement audits and program performance audits in areas identified by the OIG as the most serious management challenges facing the Department.

Question. What is the process followed to allocate staff to particular "discretionary" audits?

Answer. Discretionary audits are selected based on the Top Management Challenges the OIG identified for the Congress and the Department. These are areas that have been identified as the Department's most serious management and programmatic challenges. They provide the basis for prioritizing discretionary workload assignments. In addition, the OIG is committed to increasing its consulting services capacity, with the focus on taking a more proactive, problem-solving, solution-oriented approach to areas of significant concern with the Department. One of the primary objectives for Audits is to institute more short-term/quick response approaches to respond more effectively to Congressional and DOI management requests and to independently and expediently assess areas of concern, usually within a 60–90 day period. The purpose is to identify actions that Departmental management can take to improve operations and meet program objectives in a more effective and, if feasible, a less costly manner before major problems arise.

DEPARTMENTAL MANAGEMENT

Question. No increase for fixed costs is requested for the Departmental Management.

How will the Department absorb the increases required for pay and other fixed costs?

Answer. The various offices within the Office of the Secretary will absorb the increases required for pay and other fixed costs by consolidating management functions, eliminating positions, and taking steps to reduce other costs, thereby realizing savings in salary, benefits, and support costs.

Question. What will be the impact of a flat budget on general departmental management and oversight functions?

Answer. Enactment of a flat budget will require that the Department take steps to reduce costs to accommodate $3.4 million in pay and other uncontrollable costs. The Department plans to implement organizational changes and eliminate vacancies in order to do this.

Question. Does the budget make any assumptions regarding savings from appointed and Schedule C positions that may be unfilled for a significant portion of fiscal year 2001?

Answer. No, the budget assumes that those positions will be filled during fiscal year 2001 and will be filled for the entirety of 2002.

Question. Did the fiscal year 2001 request for Departmental Management make any such assumptions?

Answer. When the fiscal year 2001 request was formulated, the Department made no assumptions regarding savings from position lapse in appointed and Schedule C positions. The Office of the Secretary will use any savings in fiscal year 2001 for one-time purchases to catch up on replacement of obsolete equipment in preparation for 2002.

OFFICE OF INSULAR AFFAIRS

COMPACT NEGOTIATIONS

Question. What is the current status of renegotiation talks with the Federated States of Micronesia and the Marshall Islands.

Answer. Talks with the Federated States of Micronesia have been ongoing for the past year. Progress is being made with significant agreement on conceptual aspects of future financial assistance, such as the use of sectoral grants and increased accountability. Talks with the Marshall Islands have not commenced. Talks were planned for September 2001, but OIA understands there have been recent discussions between the State Department and the Government of the Marshall Islands about moving the talks to an earlier date in July.

Question. When should this process be completed?

Answer. Because of the two-year transition period provided for in the original Compact, there appears to be little incentive for the freely associated states to agree to implementation of a new financial assistance period before fiscal year 2004. Given this assumption, OIA believes it is imperative that talks be completed and a legislative and budget package be transmitted to Congress before the end of fiscal year 2002. This would allow one year for the approval process and important planning and other preparation activities that must be completed prior to implementation.

Question. What are the major issues remaining to be resolved?

Answer. With respect to the Federated States of Micronesia, the major issue appears to be the level of assistance. This includes whether an inflation formula is in-

corporated into the agreement and the nature and extent of any trust fund to provide future long-term assistance. There are also issues that need to be resolved regarding continuation of certain Federal programs and services and possible changes to the immigration provisions of the existing Compact. With respect to the Marshall Islands, it is premature to define issues or areas of disagreement given that talks have not begun.

Question. How, if at all, is the issue of Compact impact aid being considered in this process?

Answer. Impact aid is somewhat tangential to the negotiations process, in that the State Department is not negotiating with the freely associated states the amount of impact aid for U.S. insular areas. It is, however, a part of the overall process in that the Administration is trying to identify new sources of funding for direct impact aid and modify current immigration policies and practices.

Question. Have the views of Hawaii with respect to impact funding been reviewed during the renegotiation?

Answer. Yes, the concerns of Hawaii and its desire for impact assistance have been considered as part of the overall negotiation process.

TOBACCO SETTLEMENT

Question. The fiscal year 2000 Interior bill contained language that advanced almost $20 million to American Samoa. Part of this funding was contingent upon a financial plan being approved by the Department. How much of these funds have been released?

Answer. The loan was divided into two parts. The first portion of $14.3 million was to pay creditors, at a discounted rate, who were owed money by American Samoa prior to April 1999. This money has been paid to American Samoa and passed on to the creditors. The remaining $4.3 million was for implementation of a fiscal recovery plan. The plan has not yet been developed, so none of this money has been released.

Question. For what purposes have these funds been expended?

Answer. All funds expended to date have been used to pay creditors. The largest single group of creditors was health care providers, most of whom were located in Hawaii. Major payments were also made to the American Samoa Power Authority for past due government utility bills and to the General Services Administration for supplies and services provided to the American Samoa Government.

Question. Has the issue of overdue payments to medical services providers in Hawaii been completely resolved with these funds?

Answer. OIA doesn't feel comfortable saying the issue has been completely resolved. The loan only covered bills prior to April 1999. Between the loan and other action taken by American Samoa more than $10 million was paid to medical providers, which OIA understands completely resolved all overdue payments prior to April 1999. Since April 1999, some additional medical referral debts have accumulated. The last figure given to OIA was approximately $800,000. OIA does not have an aging of those accounts so it cannot comment on how seriously some of the accounts may be overdue.

Question. What is the status of the ASG's financial plan?

Answer. The American Samoa Government has created and staffed a small office to deal with financial reform. It is our understanding that this office has the outline of a plan, but has not yet completed the document. OIA had encouraged ASG to have the plan completed by May 2001.

Question. Has the Department received the plan?

Answer. No, the Department has not received the plan. The Office of Insular Affairs is trying to schedule a meeting with ASG officials the first week of June to discuss the status of the plan.

Question. When is approval expected?

Answer. Once OIA has the plan, it should be approved in less than 30 days. The Department has also been directed to enter into a Memorandum of Understanding with the American Samoa Government regarding plan implementation, including benchmarks and reporting/monitoring mechanisms. Work on this MOU can be done concurrently with plan approval and should be completed soon after approval of a final plan.

Question. Language was also included in the fiscal year 2001 Interior bill that requested the Department to assist ASG in identifying opportunities to diversify the economy. Has the Department been working with ASG in this regard?

Answer. Yes, the Department is working cooperatively with the American Samoa Economic Development Commission and is also talking directly with officials from the American Samoa Government regarding a specific proposal.

Question. What potential activities have been identified?

Answer. The American Samoa Government is exploring the possibility of E-Commerce. The concept would be to create a business located in American Samoa with employees who either perform data entry services for large American or global businesses or receive and process electronic orders for supplies and services. The Department is discussing a technical assistance request from ASG for a feasibility analysis and development of a business plan.

ENEWETAK

Question. Recently, the people of Enewetak atoll obtained a judgment from the Nuclear Claims Tribunal for over $350 million based on the damage caused from nuclear testing in the atoll. What is the Department's position with respect to this judgment?

Answer. Article X of the Section 177 agreement of the Compact of Free Association states that the agreement constitutes the full settlement of all claims, past, present, and future of the government, citizens, and nationals of the Marshall Islands which are based upon or are related to the nuclear testing program, and which are against the United States. The Administration therefore considers this issue closed.

Question. If this judgment is ultimately sanctioned by the U.S. courts what, if any, budget impacts would there be for the Department?

Answer. Unless paid from the Department of Justice judgment fund, the impact on the Department of the Interior budget would be severe.

PRIOR SERVICE BENEFITS TRUST FUND

Question. The Subcommittee remains concerned about the financial condition of the Prior Service Trust Fund. The Committee provided $700,000 last year to maintain the fund. What is the remaining corpus left in the fund?

Answer. The trust fund administrator is independent and has no reporting responsibility to the Department. OIA understands, however, that there was a balance of approximately $2 million at the end of fiscal year 2000. Congress' appropriation of $700,000 would have then meant $2.7 million available at the beginning of fiscal year 2001. OIA further understands that current outlays are approximately $1.2 million annually. This would mean that the balance at the beginning of 2002 will be approximately $1.5 million.

Question. How much funding would be required to ensure that benefits maintain their current levels for the lifetime of the beneficiaries?

Answer. OIA's understanding of the actuarial estimates is that it would require a current appropriation of approximately $23 million, or it could be funded annually for a period of approximately 40 years at a level that begins at approximately $1.2 million and gradually declines as the number of beneficiaries decreases.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

CAT ISLAND

Question. What is the current status of the National Park Service's appraisal of Cat Island, Mississippi, that was scheduled for review by the Service's Washington Office in March 2001?

Answer. Public Law 106–554 authorized the acquisition, only with the owner's consent, of approximately 2,000 acres of land on Cat Island, Mississippi, for addition to Gulf Islands National Seashore. An appraisal obtained by the National Park Service is presently under review and has not yet been approved. Both the Boddie family and a non-profit conservation organization have obtained independent appraisals of the property. In light of the landowners concerns regarding significant disparities among the values indicated by these appraisals, the NPS has asked its contract appraiser to reinspect the property. The updated appraisal report will be due 45 days after the reinspection of the property. A date for the reinspection has not been scheduled.

Question. The Interior budget for fiscal year 2002 has included $2.0 million from the Land and Water Conservation Fund for land acquisition for Gulf Islands National Seashore. How much of this funding will be obligated for the purchase of Cat Island, Mississippi?

Answer. The $2.0 million request for land acquisition funds in fiscal year 2002 for Gulf Islands National Seashore is for the purpose of purchasing 365 acres; 225 on Horn Island and 140 acres on Cat Island.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

BLACK CANYON WATER RIGHTS

Question. I am concerned about the National Park Service's filing for quantification of the reserved water right for the Black Canyon of the Gunnison National Park. This filing was done in the waning days of the Clinton Administration after formal requests to work with the State of Colorado on this critical issue were ignored. As a result, their claim could wreak havoc on gold medal trout water, power production, recreation and this might even cause flooding in the town of Delta. Like I said, the previous Administration filed this claim, but you have inherited this problem and it seems that it is proceeding forward.

Efforts to quantify this right go back to the 1980s and previous attempts have been far more realistic than this latest effort. Moreover, this unrealistic filing could have impacts on cooperative efforts to recover and delist endangered species.

Had they taken just a little input from the State of Colorado, the Bureau of Reclamation, Western Area Power Administration (WAPA), BLM, and even their own staff at Curecanti, they would have never filed an application that would bring out this kind of opposition. But, the damage is done. I understand 383 Statement of Opposition have been filed, including one for the State of Colorado through its Water Conservation Board, State Engineer and Division of Wildlife.

We know that your department did not file this claim while you were Secretary, but you are still in charge of the National Park Service. I have to ask, why did the Park Service ignore these stakeholders in filing this claim and have you talked to them about their actions?

Answer. The NPS has been working with individual stakeholders, including the State of Colorado on this issue, for about 12 years. Although the law requires that the claim must focus on park purposes, input from stakeholders was considered so that effects on other river management concerns would be minimized. The Department has chosen to not withdraw the claim and believes that it can be used as a starting point for negotiations to formally identify stakeholders and make negotiations more focused and fruitful. Since the claim was filed, the Department bureaus, including the NPS, have met with the State of Colorado to begin the formal negotiation process.

Question. Why did the National Park Service seek input from other federal agencies and then not include them in the claim that was filed?

Answer. The Department of the Interior Solicitor used input from the Bureau of Reclamation, U.S. Fish and Wildlife Service, Bureau of Land Management, and Western Area Power Administration to make decisions about the claim. The claim includes the flow numbers and also language recognizing the authority of the Secretary of the Interior to restrict delivery of flows based on other river management needs such as Aspinall Unit and endangered fish needs.

MAINTENANCE BACKLOG IN PARKS

Question. I am glad to see that you and the President are committed to decreasing the maintenance backlog in our National Park System. Where are you going to start geographically and what types of maintenance will the department do first.

Answer. The Department's comprehensive 5-Year Maintenance and Capital Improvement Plan identifies maintenance needs throughout the Park System and is comprised of a prioritized listing of deferred maintenance projects. The fiscal year 2002 maintenance program for the National Park Service places highest emphasis on critical deferred maintenance needs in health and safety, resource protection, and bureau mission. We believe that addressing the priorities included in the 5-year plan in a systematic manner is the most effective means of achieving our goals. Through this planning process, the Department will be able to present and convey a more consistent and credible view of its budgeted resources and capital investments, goals, needs, and priorities, and most importantly, results, to the Congress.

FIRE SUPPRESSION

Question. Last year we had a terrible fire season, especially in the West. And there were times that we started to run low on retardant, tankers, personnel and other resources used to fight wildfires. Can you break down what this increase of funding is going to be used for?

Answer. To address this shortage of firefighting resources President Clinton proposed, and Congress funded the National Fire Plan. This plan includes funds in fiscal year 2001 specifically to prepare for and ensure fire readiness to suppress expected fire activity during a "normal" fire season. In addition, the National Fire Plan included additional monies to increase firefighting capabilities to support large

fire suppression activity that may occur. The President's fiscal year 2002 budget continues support for the National Fire Plan. The attached table indicates the types of personnel, equipment, and aircraft increases the DOI agencies are making to address fire preparedness needs and to prevent wildland fire fighting capability shortages during future fire seasons.

The Department of the Interior's funding request in Wildland Fire Suppression was increased from $153,109,000 in fiscal year 2001 to $161,424,000 in fiscal year 2002. This additional $8,315,000 will be used to fund the increased cost of suppressing wildland fires especially in the wildland urban interface and in areas of increased hazardous fuel loadings.

Additional information regarding the National Fire Plan and the DOI proposed action plan can be found at the Department of the Interior's National Fire Plan, Implementation Action Plan website: http://www.nifc.gov/fireplan/index.htm

NFP Staffing and Equipment Purchases

Conversion of Existing Positions to Permanent (number of personnel)

Bureau	Hot Shot Crew Members	Hand Crew Members	Engine Crew Members	Helitack Crew Members	Smoke-jumpers	Individual Firefighters	Others	Total Converted Personnel
BLM	0	0	193	12	30	97	92	424
BIA	65	0	157	0	0	0	6	228
FWS	0	0	44	0	0	14	0	58
NPS	0	0	6	0	0	46	6	58
DOI Total	65	0	400	12	30	157	104	768

New Seasonal Hires (number of personnel)

Bureau	Hot Shot Crew Members	Hand Crew Members	Engine Crew Members	Helitack Crew Members	Smoke-jumpers	Individual Firefighters	Others	Total Seasonal Personnel
BLM	52	0	374	58	20	62	49	615
BIA	15	0	203	0	0	0	89	307
FWS	0	0	8	0	0	56	1	65
NPS	0	0	29	20	0	6	2	57
DOI Total	67	0	614	78	20	124	141	1,044

New Permanent Hires (number of personnel)

Bureau	Hot Shot Crew Members	Hand Crew Members	Engine Crew Members	Helitack Crew Members	Smoke-jumpers	Individual Firefighters	Others	Total Permanent Personnel	Total All Positions
BLM	28	0	52	12	0	52	78	222	1,261
BIA	45	0	0	17	0	0	123	185	720
FWS	0	3	8	0	0	63	23	97	220
NPS	0	0	44	13	0	17	48	122	237
DOI Total	73	3	104	42	0	132	272	626	2,438

Equipment and Aircraft

Equipment- Engines

	Engines		Water Tenders		Dozers		Other		Total Pieces	
	Purchase	Lease	Purchase	Lease	Purchase	Lease	Purchase	Lease	Purchase	Lease
BLM	40	0	7	0	3	0	18	0	68	0
BIA	0	0	0	0	1	0	9	0	10	0
FWS	17	0	0	0	2	0	14	0	33	0
NPS	5	0	1	0	0	0	0	0	6	0
DOI Totals	62	0	8	0	6	0	41	0	117	0

Aircraft

	Contract Helicopters	Contract Single Engine Airtankers	Contract Multi-engine Airtankers	Contract Large Air Transport	Air Attack Planes		Jumpships		Total	
					Purchase	Contract	Purchase	Contract	Purchase	Contract
BLM	4	6	0	2	0	5	0	2	0	19
BIA	2	0	0	0	0	0	0	0	0	2
FWS	2	0	0	0	0	0	0	0	0	2
NPS	1	0	0	0	0	0	0	0	0	1
DOI Totals	9	6	0	2	0	5	0	2	0	24

Question. Does any of the funding go to remediating lands especially to help with erosion and discharges that can contaminate water supplies?

Answer. The Department of the Interior (DOI) Wildland Fire Operations account includes funds for burned area rehabilitation. These funds are specifically designated for emergency rehabilitation and stabilization of federal lands damaged by wildland fires. The primary purpose of these funds are to: protect life, property, soil, water, and/or vegetation resources; prevent unacceptable on-site or off-site damages, including those resulting from erosion or discharge from burned areas; facilitate meeting land use objectives; and reduce the invasion and establishment of undesirable or invasive species of vegetation.

The Presidents budget included a request of $20.0 million in fiscal year 2002 for burned area rehabilitation. These funds are used for rehabilitation treatments that may include such management practices as reseeding and revegetation, sediment control, drainage control, and protection from livestock and human use. Funds may also be used for repair of damaged structures such as fencing, wildlife/livestock improvements and other minor improvements essential to protecting resources and managing the land.

LAND ACQUISITIONS

Question. As you know, Colorado has a few projects in your budget. Some are fully funded, which I want to thank you for, but others are not. Many of these projects will complete legislation that was previously passed, but we are now waiting for the proper funding to close the doors on these projects, like land acquisition funds for the Black Canyon of the Gunnison National Park and the Great Sand Dunes National Park. Will you work to obtain the adequate funds for these projects?

Answer. In order to complete necessary land acquisition authorized by recent legislation regarding Colorado units of the National Park System, this Department has requested and obligated funds for such acquisition. Additional funds for such acquisition are included in the fiscal year 2002 budget request. The Department's efforts to complete these acquisitions will continue.

Public Law 106–76, enacted October 21, 1999, provided authority to acquire an additional 2,500 acres for inclusion in Black Canyon of the Gunnison National Park in the State of Colorado. Since enactment of Public Law 106–76, the National Park Service has acquired interests in 2,221.46 acres of land for addition to the park. The NPS fiscal year 2002 budget request for land acquisition includes $200,000 to acquire an additional 120 acres for the park.

On May 16th, the Department requested from the Appropriations Committees approval to reprogram $340,000 from prior year land acquisition funds to acquire the 120-acre Woodell tract at Black Canyon of the Gunnison National Park. The House has approved this reprogramming request.

Federal acquisition of the Baca Ranch was authorized by Public Law 106–530. The total cost of Federal acquisition of the ranch, located adjacent to Great Sand Dunes National Monument, will be $31.28 million. In fiscal year 2001, the National Park Service obligated $8.2 million towards the purchase of a portion of the ranch. The fiscal year 2002 budget includes $2.0 million and funding to complete the acquisition will be sought in future years.

The BLM's 2002 budget request includes $43.2 million for land acquisition. There are two priority projects in Colorado in the BLM request; Gunnison Basin ACE ($2.5 million), and Upper Arkansas River Basin ($1.5 million) that account for 9 percent of the BLM Land Acquisition request. The Department will work toward completing land acquisition priorities in areas within Colorado that have received special designation in a timely fashion that balances acquisition priorities across states.

PILT

Question. We all know that many local communities rely on PILT funds. Many smaller counties can be severely hurt if they receive a decrease in these payments. In the budget I see there is a decrease in these funds. There are a number of us that would like to see these funds restored. Can you commit to us that you will work with this committee to try and restore some of these funds?

Answer. The Department of the Interior understands and supports the benefits that are derived by local communities from PILT funds. We will be pleased to work with you concerning PILT funding for fiscal year 2002 within the overall budget constraints and competing priorities of the BLM and the Department.

INDIAN AFFAIRS ISSUES

I. Incentives for Tribal Contracting

Question. ENCOURAGING SELF-DETERMINATION: one of the best ways to increase Tribal contracting and compacting is to provide the necessary start-up and

administrative costs associated with the management of the contract. I see there is a small decrease in self-governance grants this year. I think we all agree that Tribal contracting is universally successful. Does this budget item mark a change in how the incoming Administration views Indian contracting?

Answer. No, the budget proposal to not provide new funds in fiscal year 2002 for the Self Governance Shortfall (Grants), under the Non-Recurring Programs subactivity, is due to the fact that this grant program has a carry over balance of approximately $600,000. This amount is estimated to be sufficient to meet the programmatic needs in fiscal year 2002.

II. Education Issues

Question. OPERATIONS AND CONSTRUCTION: one of the key goals that you and I share is in educational improvement. The request includes a $16.5 million increase for school operations, and a modest $162,000 increase for school construction. Given these numbers, is the Department "on track" to eliminating the backlog in Indian School Facilities by fiscal year 2006 as the President has indicated?

Answer. The fiscal year 2002 Budget Request for the Bureau of Indian Affairs includes a total of $292.5 million for Education Construction, of which $122.8 million is specifically for replacement of six school facilities on priority list (as of January, 2001). With continued funding at the fiscal year 2002 level, the Department is "on track" to meeting the goal to eliminate the current repair and maintenance backlog by 2006.

All BIA schools are included in the Bureau's Five-Year Deferred Maintenance Plan that addresses the present facilities backlog. The plan is being revised to include infrastructure replacement for deteriorated and unsafe utilities systems that include gas, water and electrical lines and associated systems support requirements. Additionally, the replacement school construction application process is in the final stages of revision for a Federal Register notice for solicitation of new applications which will result in the addition of replacement school construction projects to the national replacement priority list. The Bureau has intensified efforts to train construction grant officers, restructure and improve construction contracting capabilities, entered into interagency agreements with other Federal agencies to assist with construction project implementation, and improved its efforts to ensure project oversight and fiscal accountability.

Question. SCHOOL BONDING: one of the legislative ideas that has surfaced is to complement Federal funds by authorizing the issuance of "Tribal School Construction Bonds" to hasten the construction of Indian Schools. Do you support the concept included in this legislation?

Answer. The Department has performed a preliminary review of S. 243. In general, we would support the concept of Tribes issuing bonds for school construction. Other details of the bill, such as proposed tax credits for bond holders and Federal appropriations to defeat the principal of such bonds, require further assessment.

Question. JOINT VENTURE: the fiscal year 2002 request provides for a "Demonstration Program" aimed at 50–50 Tribal-Federal Partnerships for the Construction of Schools. How many Tribes have requested participation in this Program?

Answer. In fiscal year 2001, the Conehatta Elementary School for the Mississippi Band of Choctaw Indians is being constructed using funding under the demonstration program. The fiscal year 2002 request for the Bureau does not include continued funding for the demonstration program.

III. Law Enforcement

—*Tribal Courts.*—The request includes a total of $13.1 million to support 250 Tribal courts, and there are additional resources appropriated to the Justice Department for Tribal courts as well.

—*Training.*—Through the Treasury/General Government Subcommittee, which I chair, I have tried to get other Federal agencies to include BIA and Tribal police staff in their training.

Question. Can you determine and then report back to this Committee whether in fact existing inter-agency initiatives (such as the "Gang Resistance Education and Training" 'GREAT') are successful for Indian programs and if not why not?

Answer. The Bureau implemented the GREAT curriculum in school systems where gangs were being established. This program proved a vital and key instrument in decreasing gang-related crimes, violence, vandalism, and student/gang recruiting. In one community, gang-related incidents decreased from an average of 12 per school to zero. The GREAT program has provided Indian youth with alternatives to gangs and effective techniques to avoid gang involvement.

IV. Trust Reforms

Question. "COURT MONITOR" APPOINTED: last week Judge Lamberth appointed Joseph Kieffer to be the Court Monitor for the *Cobell* v. *Norton* litigation and directed him to report back to the Judge. How do you interpret this appointment?

Answer. The Department believes the appointment is a positive step in the trust reform efforts. The Federal District Court in *Cobell* v. *Norton* conducted a series of meetings with legal counsel for the Plaintiffs and Defendants during the end of March 2001 and the beginning of April 2001. On April 16, 2001, after the final such meeting, the Court conducted a status hearing on the record. At that hearing, the Court indicated that a Court Monitor would be appointed to help the Court deal with the questions presented in the case, including the Plaintiff's motion to reopen trial one (which involved the issue of trust reform). The Court also mentioned that assistance from a Court Monitor would help the Court with its heavy docket and trial calendar. Legal counsel for Plaintiffs and Defendants consented on the record to the appointment of Joseph S. Kieffer, III as Court Monitor. The ensuing written order dated April 16, 2001, provides that the Court Monitor is a representative of the Court and will serve for at least one year. It provides that the Court Monitor will "monitor and review all of the Interior defendants' trust reform activities and file written reports of his findings with the Court." The reports will include summaries of Interior's trust reform progress. The Court Monitor is expected to issue an initial report to the Court after becoming acquainted with the issues in the case. The initial report is expected sometime this summer and will help the Court as to scheduling and the resolution of pending motions. The fees and expenses of the Court Monitor are to be paid by Interior.

Question. TRUST SERVICES: there is some $44 million requested for Probate, Real Estate Appraisals, and related services, and there are millions more for the Office of the Special Trustee. There is a lot of "activity" that seems to surround Indian trust reforms; but let me ask you: do you foresee a time in the immediate future where our collective efforts will be on settling the account balance discrepancies? How can we help you and the Indian Plaintiffs get there?

Answer. There are two tracks to "settling the account balance discrepancies": The historical accounting along with the negotiation of a settlement with the Plaintiffs. DOI is pursuing an historical accounting that seeks to determine historical IIM account balances. Simultaneously, we are seeking discussions with the Plaintiffs' representatives to find a satisfactory basis that would limit litigation as well as the time required for a full accounting. The continued support of Congress to fund the necessary work to accomplish a satisfactory resolution to these matters is a significant help to this effort.

Question. LEGISLATION TO ASSIST IN SETTLEMENT: would you find it helpful to have some legislation that seeks to find the best and most efficient method of determining the correct account balances?

Answer. As Congress has required, the Department will present our plan for an historical account to the Appropriation Committees including the manner in which we believe that accounting can be accomplished and the resources that may be needed. Until this plan is prepared and given to Congress the question of any legislation that may be needed is best deferred.

Question. HIGHER RATES OF RETURN: last session I co-authored a bill (S.739) aimed at getting tribal assets greater rates of return by investing in the Market. As we sort out account balances and the computer systems and all the rest, it seems to me we can do something to provide immediate relief to Indians. Do you have any views on this idea?

Answer. The Special Trustee believes that changes to the law to broaden options for the investment of individual and Tribal monies should be considered. Currently, 25 U.S.C. 162a prescribes the investment policy of the government for these funds. Investments are limited, in most cases, to U.S. Government securities (Treasury and other agency issues) and insured deposits or deposits collateralized by U.S. Government securities.

It is important to consider the negative impact on those accounts for certain beneficiaries where, for example, the cost of living change cannot be offset with investment over the long term in fixed income investments (bonds). The capability to use equities to offset the effect of inflation for long-term requirements is desirable. The Special Trustee would recommend a legislative change to provide for a prudent investment policy that protects the long-term beneficiaries against inflation impact.

Question. WATER ISSUES: Madam Secretary, this year's request includes funding for Indian water settlements that were subject to negotiations between Tribes, the United States, States and other parties. As you know there is still a sizeable backlog in outstanding Indian land and water claims. One idea that has been pro-

posed informally is to take these settlements off-budget' so that the programs within the Interior Department do not have to compete with land and water claims payments. What do you think of this idea?

Answer. The Administration is committed to seeking discretionary funding for settlements once they are enacted. While I am not familiar with the details of the proposals, I understand that the Department has had discussions in the past with the Senate Budget Committee regarding proposals to move funding for settlements off Interior's discretionary budget. The Department would be willing to explore these ideas further. I believe that OMB and the Congressional Budget Office would also need to be brought into any such discussions because of the broad policy and budget implications of such a proposal.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

STREAMLINING

Question. Your budget request for the Department includes $57 million in streamlining savings that you expect to "create more efficient systems and processes without affecting program delivery." What processes and systems have you identified that would yield such significant savings and how much will you save from each one?

Answer. The Department's Budget request for 2002 proposes $15.3 million in streamlining savings and an additional $41.8 million in uncontrollable costs that will be absorbed by streamlining. In order to meet these goals, the bureaus and the Department's Offices are conducting reviews of administrative costs and staffing levels to identify inefficiencies and reduce redundancy and incorporating processes for working smarter. Savings will be realized through a combination of actions including reducing organizational layers, implementing contracting efficiencies, modifying grades of current positions, management downsizing, and eliminating extraneous positions.

Specific examples of actions planned by the Department include: the NPS will save $6.1 million by reducing travel, exploiting new technologies, eliminating low priority vacancies, and additional efficiencies that are identified through the park business plan process; BLM will save $3.2 million in part by reducing headquarters travel and consolidating supplies procurement; FWS will save $3.5 million by headquarters and regional consolidations, travel reductions, and other administrative savings; MMS will reduce its budget by $2.0 million by reducing redundancy and inefficiency and by improving business processes; and the Department is planning to consolidate offices and eliminate layers of management.

Question. Did you analyze the current systems and practices to determine that there is $57 million worth of overspending before you proposed these budget cuts?

Answer. The streamlining savings proposed in the budget amount to only one-half of one percent of the Department's 2001 appropriation. The Department believes that savings of $57 million through cost avoidance and selective reductions are easily achievable within a $10 billion budget.

Question. Fuel prices could be substantially higher in 2002 than they are today. How can you promise travel cost reductions when energy prices, which are beyond our control, are in a state of flux, and specifically, how much do you propose to save with travel reductions?

Answer. The travel reductions are within the mix of savings measures proposed in the 2002 budget and as such are only one component of the total cost reductions that the Department anticipates it will be able to accomplish. The proposed reductions in travel total $6 million, a reduction of three percent in travel budgets from the 2001 level. The Department is anticipating that it will be able to achieve the travel cost reductions, given the goals outlined in the President's energy plan that will result in reductions in energy prices.

NATIONAL CONSERVATION TRAINING CENTER

Question. The National Conservation Training Center, located in Shepherdstown, West Virginia, is owned and operated by the Fish and Wildlife Service and is, by any definition, a world-class training facility. Since it opened its doors in October of 1997, more than 25,000 people have gone there to improve their natural resource management skills. In addition to Fish and Wildlife Service employees, the Training Center serves individuals from many different organizations, coming from every state, and from over a dozen countries.

The success of the Center, though, is dependent on the ability of the Department's employees being able to travel to West Virginia for the courses and programs of-

fered. As such, I am concerned with two proposals that I fear could have a detrimental effect on the Center's mission. First, the budget request proposes to cut travel expenditures for the Fish and Wildlife Service by $1.5 million, and by $1.8 million for the National Park Service, which also sends employees to the Training Center. Secondly, under the guise of "streamlining," the two bureaus have been told to find $9.6 million in undefined management cuts in their budget, and then to absorb $17.2 million in uncontrollable costs. That is an extra $26.8 million that would have to come from somewhere, and knowing that managers are reluctant to cut back their programs, I fear that much of that $26 million may come out of the travel budgets.

Can you assure this committee that the substantial investment the taxpayers have made in constructing and operating the National Conservation Training Center will not be wasted?

Answer. The U.S. Fish and Wildlife Service's National Conservation Training Center trains and educates natural resource managers to accomplish FWS' resource conservation mission of conserving fish, wildlife, plants, and their habitats, for the benefit of the American people. NCTC brings exceptional training and educational opportunities to FWS employees and others. NCTC is constantly full to capacity, and courses and workshops typically need to be scheduled one to two years in advance. The streamlining proposals in the 2002 budget are not expected to have any impact on the operations at NCTC. The travel reductions in the 2002 budget are expected to be achieved largely by reducing meetings and conferences, as opposed to reducing travel for training. The Department's land management bureaus recognize that a well trained, highly motivated workforce is critical to mission accomplishment.

STAFF CUTS

Question. The Department of the Interior reduced its employment by 7,500 since 1992. Your budget proposes to reduce employment by 1,707. Most of the reductions are proposed for the U.S. Geological Survey, the Bureau of Land Management, the National Park Service, and the Fish and Wildlife Service. I would like to know where these cuts will occur and, in particular, how many will be taken in West Virginia.

Answer. The FTE reduction of 1,707 reflects the reduction in staffing from the levels that were originally planned for 2001. The Department's 2001 plans anticipated increased staffing based on the 2001 appropriation which provided significant resources for on-the-ground programs that are FTE intensive including wildland fire management, park operations, and Indian trust management. The Department scaled back its initial estimates for 2001 staffing by 1,132 FTE assuming a reduced need for staffing with expanded use of contractual services and outsourcing, and elimination of extraneous positions that are not needed for program delivery. In effect, this portion of the staffing reduction will not result in cuts to on-board personnel.

A further reduction of 575 FTE is proposed in the 2002 budget, which is distributed as follows: USGS (506 FTEs), Fish and Wildlife (53 FTEs), National Park Service (100 FTEs), Departmental Management (25 FTEs), and the Inspector General (5 FTEs). These estimated reductions are offset by estimated increases in the Minerals Management Service (39 FTEs), Bureau of Indian Affairs (64 FTEs), and Office of Special Trustee (11 FTEs).

Given the effect of staff turnover and actions that are being taken in 2001 to limit staffing, the Department does not anticipate significant cuts in on-board personnel with the exception of the U.S. Geological Survey. USGS is currently evaluating staffing impacts of the 2002 budget. At this time it is not possible to estimate how many employees might be affected and in what locations. The Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service do not plan any staff reductions in West Virginia from fiscal year 2001 to fiscal year 2002.

Question. Across the country, how many National Wildlife Refuges are currently understaffed, and by how many staff members? How many refuges have no staff at all?

Answer. There are currently 2,648 personnel assigned to 535 refuges in the National Wildlife Refuge System (NWRS). There are currently 212 unstaffed National Wildlife Refuges. FWS has no plans to staff over half of the unstaffed refuges. The President's budget includes funding for 2,839 full-time equivalent positions within the NWRS, and the Administration believes this is the appropriate staffing level.

At the direction of the House Appropriations Committee, FWS examined essential staffing vacancies throughout the NWRS and provided a 1999 report that identified 1,475 essential staffing vacancies. The staffing study has been helpful in identifying

NWRS staffing priorities, and since 1999, 125 of these positions have been filled. Additionally, the study has been useful in justifying the increase of 33 refuge maintenance workers included in the 2002 budget request.

FISH AND WILDLIFE SERVICE—ENDANGERED SPECIES

Question. Please provide specific detail about the "listing priority system" that would be used by the Secretary under the listing language proposed in the Fish and Wildlife Service's budget justification.

Answer. FWS would develop a science-based listing priority system to ensure listing actions that provide the greatest conservation needs are addressed first. There is a significant backlog of required listing actions that FWS needs to complete, including decisions about listing candidate species, responses to public petitions, final decisions concerning proposed actions, and critical habitat designations for already-listed species.

FWS will develop the listing priority system through notice and comment in the Federal Register and anticipates publishing a notice of intent to develop the listing priority system early this summer. This NOI will likely include outlines of several possible science-based approaches to prioritizing all types of listing actions and will ask the public for comments on these alternatives, and request other possible approaches to prioritization. By September 30, 2001, FWS intends to publish a draft listing priority system, along with a draft work plan for the listing program in fiscal year 2002. This draft work plan would describe to the public how the listing priority system would work, based on the information available at the time it is prepared and will be provided for public comment. Through a pilot program with Sustainable Ecosystems Institute, FWS will also request peer review of the listing priority system. Based on this public and peer review, FWS intends to finalize the listing priority system by December 2001.

No matter what priority system is developed, our listing work plan for fiscal year 2002 is already dominated by court-ordered actions. FWS is currently subject to numerous court orders that require work in 2002, and additional requirements could result from the many ongoing listing deadline cases. FWS intends to comply fully with these court orders and settlement agreements.

FISH AND WILDLIFE SERVICE—LAW ENFORCEMENT

Question. No increase is proposed for Law Enforcement activities in the President's fiscal year 2002 budget request. Are additional funds needed to carry out the Service's law enforcement responsibilities? After the July class is in the field, will any vacancies—particularly high priority ones—remain unfilled? How many law enforcement officers will retire next year?

Answer. The 2002 Law Enforcement Program budget provides adequate funding to perform the highest priority activities needed to protect the Nation's wildlife resources, including funding for plainclothes special agents, wildlife inspectors, and forensic scientists.

FWS currently employs 195 special agents and 88 wildlife inspectors of the authorized strength of 253 agents and 94 inspectors. The 2001 increase will enable the Service to hire 35 agents by late July. At that time, the agent force is expected to total 225. While this is 28 fewer agents than authorized, no high priority agent positions will be vacant.

FWS historically loses 10 to 12 agents annually to early retirement, resignations, termination, and other situations, excluding mandatory retirements. Four special agents face mandatory retirement in 2002, and another 48 agents will be eligible to retire.

BISCAYNE BAY CAMPSITE LEASES

Question. Madam Secretary, in the Conference Report accompanying Public Law 106–554, the 2001 Omnibus Appropriation Act, the Congress extended the leases for seven campsites at "Stiltsville" in the Biscayne Bay until March 31, 2001. The Congress expected that would be sufficient time for the National Park Service to assume occupancy of the houses. Within a month of your confirmation as Secretary the leases were extended for another year. Please explain you reasons for extending the leases?

Answer. On March 30, 2001 the Department of the Interior and the Department of Justice reached a settlement agreement with the current leaseholders that provides the present Stiltsville leaseholders the right of continued occupancy until April 1, 2002, in exchange for their dismissing without prejudice the pending lawsuits against the Government. The agreement provides for them to pay $700 a year rent, maintain liability insurance, protect the park resources and meet other conditions

during this time. If necessary, the agreement may be extended by mutual consent of the parties.

This settlement agreement maintains the status quo and allows the National Park Service time to continue to develop a Stiltsville Management Plan, which will provide alternatives for public uses of the Stiltsville structures and will fulfill National Environmental Policy Act compliance requirements.

PAYMENTS IN LIEU OF TAXES

Question. The PILT account received an increase of $50 million in 2001 that the Department did not request for 2002. How much will West Virginia receive in 2001 and 2002?

Answer. PILT is calculated under alternative formulas specified in the PILT Act, as amended for each county. A county's PILT payment is determined by factors such as changes in the amount of certain Federal land within a county, the amount of certain prior year Federal land payments received, changes in county population, and inflation adjustments to population and per acre values used in the formula. We are still in the process of accumulating the data necessary to compute the fiscal year 2001 PILT payments which will be made in September, and are therefore not able to determine what the specific PILT payments to West Virginia counties will be for fiscal year 2001. However, we would expect payments to West Virginia counties to be higher since the fiscal year 2001 budget for the PILT program is approximately $65 million or 32.6 percent higher than in fiscal year 2000. We do not have sufficient information at this time to predict PILT payments for 2002. We would expect, however, that if less appropriated PILT funds are available in 2002 than 2001, payments to West Virginia counties, and all counties nationwide, could be expected to be lower.

MAINTENANCE

Question. I am equally concerned that the emphasis on National Park maintenance will mean that the Department is paying less attention to basic operations at our Parks and Refuges. I note, for example, that the National Park Service is proposing a program reduction of $1.6 million for visitor services within the operations account, and while the Fish and Wildlife Service is proposing a $1.1 million increase in refuge operations, the fact is that money will be used to hire maintenance workers.

Whether these amounts are slight increases or decreases, I think the important point here is that the operational budgets for these agencies are effectively stagnant. My concern is that we will put our energies into fixing up our visitor centers only to find that we do not have the staff to keep them open. Can you please tell the committee how you intend to balance these two Federal responsibilities, particularly in light of the fact that the Administration has been more than generous in its treatment of non-Federal grant programs?

Answer. The budget contains a net operational increase of $79 million. We believe that this budget provides the NPS with funding to cover its current commitments, as well as increases for high priority operational needs. These increases include: $35.7 million for the January 2002 pay increase, $20.0 million for the National Resource Challenge, $19.9 million for maintenance projects and management software, and $3.0 million for Everglades restoration. In addition, the budget contains over $4.0 million in base operational increases provided in fiscal year 2001. This recent infusion of funding will ensure that operational needs are met and are in balance with the fiscal year 2002 grant requests.

The fiscal year 2002 budget contains sufficient funds to accomplish the core operational responsibilities at parks. It is anticipated that increased efficiencies through technology and streamlining will allow certain uncontrollable increased costs to be absorbed with minimal disruption of park operations. Funds may have to be shifted from park to park or within parks to accommodate the highest priority activities in resource protection and visitor services. The President has committed to a five year program to improve the infrastructure of the National Park System. Increased operating needs is a consequence of this initiative and added funding will be required in the future as the Service must staff and properly maintain these facilities. The NPS will evaluate these needs on a park-by-park basis.

LAND AND WATER CONSERVATION FUND

Question. One of the President's campaign pledges was to fully fund the Land and Water Conservation Fund. The budget request your Department has sent to the Congress carries through on that commitment by seeking $900 million for land acquisition, a 66 percent increase over the fiscal year 2001 enacted level. The big story

here, of course, is not the negligible rise in the Federal portion of the Fund, which is barely $500,000, but rather, the extra $360 million being sought for the state grant program, an increase, believe it or not of 397 percent. And that does not even include the additional $60 million the administration wants to hand over to the states out of the Federal half of the Fund.

At the same time the states are hitting the jackpot, the administration is suggesting, among others, a cut of $47 million in abandoned mine cleanup, a $69 million cut in U.S. Geological Survey science programs, and a $35 million cut in Fish and Wildlife Service construction. All in all, the Department would cut $350 million from the current fiscal year, almost enough to pay for the increase in state LWCF grants.

My basic question is this: Why is it necessary to provide an astronomical increase for a state grant program when we are clearly not meeting our Federal commitments in the areas of environmental cleanup, land management research, and basic operations and upkeep of our Parks, Refuges, and Forests?

Answer. During his presidential campaign, President Bush promised the American people that he would reinvest in America's natural resources by fully funding the Land and Water Conservation Fund (LWCF) at its authorized level of $900 million, including 50 percent or $450 million for State and local conservation efforts. The 2002 budget meets the President's commitment. It departs from the past practice of allocating funds to States in amounts and for purposes narrowly prescribed and proposes a new approach that gives States the ability to set their own priorities and address their needs for recreation, wildlife and wetlands conservation, and protection and recovery of threatened and endangered species. Although a four-fold increase in funding, States have expansive needs for recreational planning and wildlife and endangered species conservation as evidenced by the overwhelming number of requests that we receive for funding under existing programs.

Question. Can you explain to this committee why the Congress should shortchange Federal responsibilities, some of which have a direct impact on the health and safety of the American people, so that the states can supplement their own recreation budgets?

Answer. The Department believes the Administration is carrying out essential Federal responsibilities and is proud of its efforts this year both to address critical health and safety issues in the Bureau of Land Management, the U.S. Geological Survey, the Fish and Wildlife Service, the National Park Service, and the Bureau of Indian Affairs and to provide States with LWCF funds to address their locally identified needs. For example, the 2002 budget dedicates $440 million for the NPS maintenance backlog and includes $872.1 million for the DOI-wide Five-Year Plan for addressing critical health and safety and critical resource protection maintenance needs. The budget also funds BIA education at the $292.5 million.

Across the country, States are enthusiastically responding to the public's interest in increasing the amount of open spaces for recreation and habitat use. Many States have recently passed new initiatives for preserving open spaces. In 2000, 174 of 209 ballot measures to fund open space protection were approved providing $7.5 billion for land conservation. In the preceding two years, voters passed 90 percent of the 102 referenda (1999) and 84 percent of 148 referenda (1998) authorizing more than $10.1 billion in local taxing authority and bonds for open space preservation. This is indicative of an increased capacity for local governments to identify recreation and open space needs, plan projects, and spend funds.

NATIONAL ZOO CONSERVATION AND RESEARCH CENTER

Question. I wish to ask you about an article that appeared recently on the front page of the Washington Post, titled "A Preserve's Fight for Survival: Scientists Oppose Smithsonian Plan on Research Center." Among other things, the article describes the general criticism in the scientific community over a proposed plan by Smithsonian officials to close what many consider to be one of the finest biological research facilities in the world, namely, the National Zoo's Conservation and Research Center in Front Royal, Virginia. The article also notes that you personally visited the facility last week, and that officials at the Fish and Wildlife Service are engaged in preliminary discussions with their counterparts at the Smithsonian over ways to offer support.

I have two questions about this matter: First, do you consider the Conservation and Research Center to be a top notch research facility worth saving, and secondly, would you update the committee on what the Fish and Wildlife Service is planning to do in terms of support, financial or otherwise?

Answer. The Service believes that the Smithsonian Institution's Conservation and Research Center, a unit of the National Zoological Park, has an important role in

national and international efforts to conserve endangered and declining species. The Smithsonian Institution's initial proposal to discontinue operations at the Conservation and Research Center created an opportunity for the Department to develop a partnership effort with the Smithsonian, States, universities, private conservation organizations and private donors to help the facility continue operating. The Department and FWS proposed to work with and assist the Smithsonian and National Zoo to maintain the facility as a private/public partnership. The Smithsonian Institution announced May 6, 2001, that it would withdraw its proposal to close the Conservation and Research Center.

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

PAYMENT-IN-LIEU-OF-TAXES (PILT) AND REFUGE REVENUE SHARING FUNDS (RRFS)

Question. Overall cuts to the Interior Budget in fiscal year 2002 are unfortunate, and, I believe, show a backsliding on Congressional commitments that our nation's lands and resources can ill-afford. Last year, this Congress finally passed long-awaited funding increases to public lands and conservation programs through Title 8 of the Interior Appropriations bill and provisions in the final Omnibus Appropriations bill. In the context of years of underfunding, it was difficult not to call last year's package an "historic increase" to Interior programs. Yet, in truth, these funds were really only Congress finally keeping its promises to our citizens to protect and manage their public lands and natural resources.

Will you explain your decision-making process in cutting funding for PILT?

Answer. The funding level for PILT proposed in the 2002 budget, although reduced, is still $15.6 million above the amount available in 2000. The 2002 funding request excludes the additional increment of $49.6 million provided in Title VIII of the 2001 appropriations act. The Department of the Interior fully supports the intent of the PILT program to provide support to local governments that have Federally owned tax exempt lands located within their jurisdictions. The competing priorities required difficult choices to be made in compiling the 2002 budget request.

USGS WATER RESOURCES RESEARCH INSTITUTES

Question. With environmental quality issues, such as arsenic concentrations in groundwater, of such great concern to communities, Unites States Geological Survey (USGS) personnel and their combined understanding of geological, hydrological, and chemical processes, should be a key component in this administration's science-based policy decisions. Yet, despite this, the USGS is slated for serious cuts this year across the board in its geological, water, and biological divisions.

Focusing on one of these cuts, I have heard that the Water Resources Research Institutes (WRRI) program may be discontinued by this Administration. I find any cuts to USGS, and especially cuts to such a successful USGS state partnership program for water quality science, alarming.

In my own state, the Vermont Water Resources and Lake Studies Center has served citizens by funding research on major issues of concern to the state, by distributing information on water resources throughout Vermont, and by helping students learn more about water resources. Vermont's Water Center has studied critical policy issues related to agricultural water quality, mercury in Lake Champlain, alternative methods of wastewater treatment, and groundwater quality.

This administration has pledged that it will base environmental decisions on sound-science. The removal of funding for USGS science related to the safety of our nation's ground and surface waters would seem to strongly undercut this pledge.

Please explain the decisions that have led to the cuts, or the zeroing, of funds for the Water Resources Research Institutes program at USGS.

Answer. The Water Resources Research Institutes program receives the preponderance of its funding through non-USGS sources. The 2002 budget proposes to discontinue the USGS share based on the program's success in obtaining funding from other sources.

Question. What assurances can you give me that the funds for such partnerships will be available for professional water quality scientists in fiscal year 2002—scientists whose data and knowledge are critically needed in communities around the Nation?

Answer. No grant funds will be available from the USGS budget for professional water quality scientists outside USGS in fiscal year 2002. A number of Water Resources Research Initiatives have been extremely successful in obtaining non-USGS funding to support their research projects. Some Water Resources Research Initiatives may continue to find other sources of funding based on their past success.

PARTNERS FOR WILDLIFE PROGRAM

Question. There is a critical need in Vermont to restore waterways and create sustainable, healthy ecosystems for aquatic life and public health. Increasingly, our waters are being threatened by urban development and contaminated run-off and Vermonters want a long-term plan to safeguard this precious resource. Your Department's Fish and Wildlife Service has played a key role in confronting, and solving, state water quality issues—especially with a completely voluntary and extremely popular program: Partners for Wildlife. In the past two years, the Partners for Wildlife program has helped Vermont complete over 50 habitat restoration projects, most of which directly addressed water quality. These projects included installing fencing to keep livestock out of streams, stabilizing streambanks, and creating in-stream habitat in the Lake Champlain watershed. Nationally, the Partners for Wildlife program has had wait-lists of over 2000 private landowners. In Vermont, there are already several hundred landowners in line. I am concerned to see a $5.5 million cut in this program in your fiscal year 2002 budget.

Given the need for voluntary, incentive-based water quality programs for private landowners and the incredible popularity and success of the Partners for Wildlife program, please explain the fiscal year 2002 cut and whether you would support stronger funding for this program in the final appropriations bill.

Answer. The 2002 President's Budget request for the Partners for Fish and Wildlife Program eliminates Congressionally earmarked funds that are listed under the Partners for Fish and Wildlife line item that are not associated with the program. Most of these items are pass-through funds to other agencies or organizations, do not benefit the program, nor does their elimination adversely affect the program. The Partners program also included a streamlining reduction of $48,000 as part of a Service-wide initiative to reduce redundant and inefficient work. These reductions amount to $6,038,000. The program reductions are offset by an increase of $520,000 for uncontrollable salary costs, resulting in a net reduction of $5,518,000 from 2001 and about the same funding level as 2000.

The 2002 request will allow the Partners for Fish and Wildlife Program to continue to work one-on-one with private landowners, on a voluntary basis, to restore wetlands, streams, native grasses, forests, and other habitats on private lands. FWS would provide landowners with restoration designs, implementation assistance, and cost-sharing. The Program works in concert with agricultural and silvicultural producers to create a mosaic of working lands and habitats for fish, wildlife, and people. The 2002 budget also includes a new $50 million landowner incentive program that will provide matching grants to States for assisting private landowners in protecting and managing habitat for imperiled species.

LAKE CHAMPLAIN FISH AND WILDLIFE RESOURCE OFFICE

Question. Considerable pressure is growing in Vermont to speed up the timeline for restoration of Lake Champlain. In particular, the sportfishing community is pushing to prioritize the recovery of lake sturgeon and "landlocked" salmon. Fisheries Resource Office funding is greatly needed as this facility has had a consistently declining budget since 1993. Level, or increased, funding is needed in fiscal year 2002. When we passed the Lake Champlain Special Designation Act of 1992, one of the most important issues was restoration of native fish and wildlife habitat, and the Fish and Wildlife Service made a commitment to be a lead federal partner in the Lake Champlain Basin Program.

Please explain how the Fish and Wildlife Service intends to fully meet its commitment to the Lake Champlain Basin Program in fiscal year 2002 and in years ahead.

Answer. At the 2002 President's request level, FWS expects to provide funding to support the FWS Lake Champlain Fisheries and Resource Office at about the 2001 enacted level. While the Lake Champlain Fish and Wildlife Resources Office base fisheries' budget had declined from 1993 to 2000, it was increased in 2001 to 1993 levels. Additionally, the Service has increased the Office's Partners for Fish and Wildlife Program (habitat restoration) budget from $5,000 in 1993 to $165,000 in 2001.

When Congress passed the Lake Champlain Special Designation Act in 1992, FWS committed to becoming the lead federal agency in the restoration of native fish and wildlife species and their habitats within the Lake Champlain Basin. As part of FWS's commitment to participate on high priority action items identified in the Lake Champlain Management Plan (LCMP), the Lake Champlain Fish and Wildlife Resources Office works with numerous federal agencies, States, tribes, and locally-led conservation groups on a variety of initiatives directed at restoring Lake Champlain.

Specifically, FWS will meet its commitments by focusing efforts on restoring landlocked Atlantic salmon and controlling sea lamprey. Preliminary results of an experimental sea lamprey control program confirmed that fish populations can be improved. FWS found dramatic reductions in larval and adult sea lamprey numbers and significant reductions in lamprey wounding and scarring rates on landlocked Atlantic salmon and lake trout. FWS will continue work to restore imperiled species such as lake sturgeon, considered endangered and threatened by the States of Vermont and New York, respectively. FWS will also cooperate with the Vermont Department of Fish and Wildlife to assess sturgeon population status and habitat needs in Vermont's portion of Lake Champlain. FWS will continue to evaluate this program against other priorities in the development of future budgets.

MARSH-BILLINGS-ROCKEFELLER NATIONAL HISTORIC PARK

Question. During its first summer of operation, the Marsh Billings Rockefeller National Historical Park received almost 30,000 visitors. This is the only national park in Vermont and is not only extremely popular, but has also become a unique education and outreach center for sustainable forestry practices at the National Park Service Conservation Study Institute. Current resources are stretched thin to meet both the increasing visitation to the park and to maintain the now nationally recognized Conservation Study Institute for sustainable forestry.

I would like to know how the National Park Service will support and encourage this type of community educational partnership as it continues to grow in popularity?

Answer. Marsh-Billings-Rockefeller National Historical Park opened to the public in June 1998 and in August 1999 the park opened the newly rehabilitated 10,000 sq. ft. Carriage Barn Visitor Center that includes exhibits on conservation history and stewardship, conferencing and educational spaces, and museum storage. There were 46,289 visitors in 2000 (a two year increase of over 100 percent). In 2000, the park produced and distributed its unigrid brochure. In 2001 the park will expand its presence on the Internet.

The Conservation Study Institute, based at the park, was established by the National Park Service to develop model conservation education programs and to provide technical assistance on best practices for resource stewardship and environmental leadership. These programs fill a critical need for maintaining and enhancing effective stewardship of national parks that relies upon leadership, an informed public, and collaboration through partnerships. The institute works in partnership with the park, the University of Vermont, Shelburne Farms, and others to develop conservation educational curricula focused on natural resources, cultural heritage, and sustainable practices, with an emphasis on forest stewardship.

Nonprofit organizations, State and local agencies, and academic institutions are approaching the park and the Conservation Study Institute indicating a desire to partner in new public programs and services. To date, programs developed and conducted by the park and the institute have been very successful and the Park Service will continue to encourage and support these efforts. The fiscal year 2002 budget proposes $1,598,000 to fund the Park and support these efforts, an increase of $22,000 over the fiscal year 2001 level.

SILVIO O. CONTE EDUCATION CENTER

Question. Last year, the Nationally-recognized Montshire Museum of Science in Norwich, Vermont developed a unique cooperative agreement with the Fish and Wildlife Service to construct a new wing dedicated to public education about the Silvio O. Conte Refuge land of the entire Connecticut River watershed. With $2.9 million in federal funds allocated to this project over the past three years, the private-public partnership was forged, the architectural design for the site was completed, and ground was officially broken for immediate construction. Since the first estimate of costs three years ago, the Fish and Wildlife Service has learned that the final estimate leaves the new educational wing short of building and exhibits funding by approximately $750,000.

Will your agency agree to finish construction at the Vermont Conte Education Center as initially intended by Congress, thereby finishing a world-class public facility that will share long-term costs with its private partner?

Answer. This project is not included in the Fish and Wildlife Service's 2002 Construction Appropriation request or FWS' five-year construction plan. All appropriated funds to date have been passed through FWS to the private-public partnership which is fully responsible for overseeing the design and construction of this facility. This project is a 10,000 square foot addition, named for the late Leonard Rieser, former Montshire Board Chair, to the existing Montshire Museum of

Science, Inc., a non-profit corporation that is designated a Conte Education Center, as defined by the Silvio O. Conte National Fish and Wildlife Refuge Act. The Leonard M. Rieser learning Center will help provide new opportunities to expand the natural history public education role the Montshire Museum has played in Vermont for 25 years. The 2001 Interior Conference Report directed that the amount provided in 2001 of $1,512,000 would complete the FWS commitment to the project, and additional funding should be accommodated with non-DOI funding. At that time, it was estimated that there was a $526,000 shortfall in the project.

QUESTIONS SUBMITTED BY SENATOR HARRY REID

FISH AND WILDLIFE SERVICE

Question. Do you agree that efforts to prevent the decline of species pay dividends in the long run?

Answer. Yes. When conservation is initiated early for a species, simpler, more cost- effective conservation options are more likely to still be available; conservation is more likely to be successful; potential land use or resource conflicts that may be caused by listing may be avoided; and flexibility for landowners can be maintained. The Candidate Conservation Program funds federal efforts to achieve these benefits by working collaboratively with States, territories, federal agencies, and the private sector to conserve candidate species and other species at risk. The costs of implementing the Candidate Conservation program are far outweighed by the savings realized in the Listing, Consultation, and Recovery programs.

The President's budget for 2002 also provides additional funding to increase the capability of States and landowners to participate in early conservation efforts. Under the Land and Water Conservation Fund, the President's budget proposes a new $50 million Landowner Incentive Program Grants to States. These funds will be used by the states through a matching grants program to provide technical and financial assistance to private landowners to help them protect and manage habitat for the benefit of federally listed, proposed, candidate, or other imperiled species. Also under the Land and Water Conservation Fund, the President's budget proposes a $10 million Private Stewardship Grants Program to provide grants and other assistance to individuals and groups engaged in private conservation efforts that benefit federally listed, proposed, or candidate species, or other at-risk species.

Question. Do you believe that federal agencies have a responsibility to help recover endangered species—particularly in states like Nevada that have lots of federal land?

Answer. Yes. Sections 2 and 7 of the Endangered Species Act provides a clear mandate for federal agencies to seek to conserve endangered and threatened species and the ecosystems upon which they depend, and to utilize their authorities in furtherance of the purposes of the ESA. Federal participation in endangered species conservation is particularly critical in areas of our country where one or more federal agencies are the principal landowners, such as Nevada.

Question. Are you familiar with the Nevada Biodiversity Initiative and the ongoing efforts to recover the Lahontan cutthroat trout in northern Nevada?

Answer. Yes. The purpose of the National Biodiversity Initiative (NBI) is to provide the framework for cooperation and participation among signatory agencies to conserve biological resources and maintain ecosystem integrity throughout the State of Nevada. This effort is designed to prevent future listings under the Endangered Species Act of species at risk in Nevada and to assist in recovery of species that have already been listed.

The Fish and Wildlife Service, in partnership with tribes, other federal and State agencies, researchers, and interested stakeholders, has formed two Recovery Implementation Teams (RIT) for the Lahontan cutthroat trout. These teams are focused on the Walker River and the Truckee River Basins. These basins drain into two unique terminal saline lake systems, Pyramid and Walker Lakes where record size Lahontan cutthroat trout once thrived. There are only five such ecosystems found in the world. The RITs are using cutting edge science to develop phased recovery implementation actions that have been identified in ecosystem-based plans. These actions, and the monitoring efforts that follow, will assist management agencies with refinement of recovery strategies through adaptive management techniques, and ensure that activities identified are expediting recovery of the species.

FWS has also formed a Lahontan cutthroat trout Management Oversight Group, composed of federal, State and tribal leaders, to support trout recovery efforts. The Group meets regularly to discuss the Lahontan Cutthroat Trout Recovery Plan Draft Revision. The revised plan uses current biological information to update recov-

ery goals for the Walker and Truckee River basins and fluvial networked populations. The Group provides the forum for the various management agencies and tribes to work together to resolve differences regarding recovery of Lahontan cutthroat trout. Through this collaborative effort recovery of the species will be focused and coordinated to better direct limited resources toward achievable recovery activities.

Question. Do you share my view that the Nevada Biodiversity Initiative and Lahontan cutthroat trout restoration efforts represent important and cost-effective ways to conserve our natural resources as required by law?

Answer. The Nevada Biodiversity Initiative and Lahontan cutthroat trout restoration efforts are indeed important conservation actions. These initiatives have fostered cooperation and partnerships among federal agencies, State and tribal governments, and other interested groups. These partnerships have helped to provide cost-effective and timely ways to conserve natural resources, and have limited duplication of effort by the many land management agencies in Nevada.

Question. Will you work with me to ensure that this important work continues to receive the funding it deserves?

Answer. The Administration will work to ensure that critical natural resources in Nevada, particularly Lahontan cutthroat trout, are conserved and restored. Partnership conservation efforts will achieve this goal and the FWS will continue to work diligently with the State, other federal agencies, tribal governments, organizations and individuals to achieve conservation goals in Nevada.

Question. The President's budget substantially cuts the ESA section 6 account, which is the account that provides funding to states specifically earmarked for species conservation. To compensate for these cuts, the budget proposes authorizing state-side Land and Water Conservation Fund monies for species conservation and a wide variety of other purposes. Each state would choose whether to fund species conservation or spend the money elsewhere.

Can you tell me what will happen if some states chose not to fund species conservation initiatives even though they have major Endangered Species Act challenges?

Answer. States have expansive needs for both recreational planning and wildlife and endangered species conservation as evidenced by the overwhelming number of requests that the Department receives for funding under existing programs. States care about protecting unique and special resources, and the Department needs to fully take advantage of the expertise States have in determining the most effective way to spend conservation dollars. While the 2002 budget proposal does not mandate that States allocate specific proportions of funding to enhance recreation, conserve wildlife habitat and endangered species, and protect wetlands, the Department is confident that States are capable of determining an appropriate balance between these competing needs that will provide appropriate levels for supporting species conservation.

Question. What is your backup plan for ensuring that the important federal purpose of recovering threatened and endangered species will somehow be implemented?

Answer. The President's Budget includes a balanced program that provides resources to support Federal, State and private conservation efforts. All of these entities must work to achieve threatened and endangered species conservation; the Federal government, working alone, will not be successful. The President's 2002 budget provides States with guaranteed amounts through formulas under the National Park Service's Land and Water Conservation Fund State Assistance program to enhance recreation, conserve wildlife habitat and endangered species, and protect wetlands. The budget for the Fish and Wildlife Service's Cooperative Endangered Species Conservation Fund is proposed at $54.7 million, more than double the 2000 enacted level. By maintaining this program at a significant amount over historic funding levels, federal priorities for endangered and threatened species conservation will be addressed. The budget also proposes a new $50 million landowner incentive program that will provide competitive, matching grants to States to establish or supplement landowner incentive programs that provide technical and financial assistance to private landowners for the protection and management of habitat; and a new $10 million Private Stewardship Grants program to provide grants and other assistance to individuals and groups engaged in private conservation. Both of these programs will support efforts that benefit federally listed, proposed, candidate or other at-risk species. Grants will be awarded on a competitive basis; this will help ensure Federal priorities are addressed.

Question. Doesn't this proposal place the Department in even greater jeopardy of failing to fulfill its endangered species mandate, particularly with regard to recovery planning?

Answer. No. As noted above, the 2002 budget provides a balanced endangered species program, providing resources for not only federal efforts, but State and private efforts as well. Participation by all these groups is critical to the success of the endangered species conservation efforts. Additionally, this proposal will not affect FWS's recovery planning capability since recovery planning activities are funded out of its general recovery program. In fact, by expanding the States' capabilities to participate in implementation of recovery actions for listed species, the budget encourages States to increase their involvement in recovery planning. FWS believes it is fulfilling its endangered species mandate with regard to recovery planning; currently, 88 percent of species listed 2½ years or more have final recovery plans, and FWS's goal is to increase this to 98 percent by 2005.

Question. In the budget, you propose to effectively prohibit citizens from suing to force Interior to put new species on the endangered species list or to sue to force Interior to designate critical habitat for species. I understand that the argument for this rider is that Interior faces a backlog of work in these areas—to the extent that your predecessor estimated that the total cost of doing this work amounts to $80 to $120 million.

Wouldn't another and better way of dealing with this be to substantially increase funding for listings and critical habitat?

Answer. The President's budget does increase funding for listings and critical habitat. The President's budget attempts to balance limited resources with the needs of the Nation. It strengthens and reforms education; preserves and protects Medicare and Social Security; strengthens and modernizes the military; improves heath care; and protects our environment. In this context, the 2002 listing budget is increased by 34 percent over 2001, for a total of $8.5 million. In conjunction with proposed appropriations language, the Administration believes that the proposed funding level is appropriate to meet court-ordered and court-approved settlement agreements for listing actions, as well as additional listing actions determined through a rational priority system. The previous Administration requested more modest increases between 1999 and 2001, none of which were approved by Congress. The 2002 budget includes a balanced ESA program that provides increased funding for ESA listing, as well as other FWS programs, that will assist in recovery of imperiled species, and conserve other species before they become imperiled, such as the new $50 million landowner incentive program and the new $10 million private stewardship grant program.

Question. Can you tell me how many controversial species were listed and how many controversial critical habitat designations were undertaken solely as the result of Interior Department's own initiative, rather than being driven by citizen suits or the threat of one?

Answer. Regretfully, it is not possible to answer this question. Nevertheless, FWS has some data on the status of litigation at the time of species listing, and in the past has listed species through means other than citizen suits. For example, in fiscal year 1999, 12 of the 45 species listed were under litigation at the time FWS published the final listing. In fiscal year 2000, 27 of 38 species listed were under litigation at the time published the final listing.

On the other hand, deadline-based citizen suits have largely driven critical habitat designations. However, the controversy associated with critical habitat designations was not the reason they were not initiated. Rather, it was their high costs in relation to the relatively low benefits associated with a designation. Given the limited funding available for the listing program, and the large number of species in need of listing action, FWS had sought to focus efforts on other listing actions that provide greater conservation benefits, for example, listing a species so that it can be afforded protection under the Act.

Question. Would you agree that oftentimes when we delay listing species we end up making it more difficult to save them because conservation options are foreclosed during the delay as species further decline?

Answer. Yes. In some cases listing delays do affect species' recovery. This is particularly the case when listing under the Act is the principal means to initiate action to address threats to the species survival. Without the additional resources requested in the President's Budget, and the ability to hold to a biologically based priority system in 2002, final listing decisions will likely be delayed for the 39 species that are currently proposed for listing. Similarly, FWS will be further delayed in proposing to list candidate species as threatened or endangered species (there are currently 235 candidate species nationwide). As a result of existing court orders and settlement agreements, the resources required to complete critical habitat designations has substantially reduced the number of species that will be listed or proposed in 2001. In 1998, 90 species were listed; in 1999, 67 species were listed; and in 2000, 57 species were listed.

Question. Would you agree that citizen enforcement of our environmental laws is a critical principle designed to ensure that administrative agencies are forced to implement the law in politically difficult situations?

Answer. Yes, citizen suit provisions are an important component of environmental statutes, and citizen enforcement plays an important role in preserving the Nation's natural resources. In addition, ESA provides an important tool through the petition process that allows citizens the opportunity to identify species that need to be listed through an administrative process. Nearly all of the 2001 listing program is directed by litigation. The Department does not believe the listing program should be fully implemented through litigation. Species that do not have a plaintiff advancing their cause through litigation may not receive the attention or protection they desperately need. Citizen suits are best used as a last resort rather than first resort or as the only means by which actions may be undertaken.

The Administration's proposed budget language would not restrict the ability of citizens to advocate for and secure the listing of imperiled species under the ESA. The objective of the proposed appropriations language included in the 2002 budget is to move towards a system that would allow FWS to spend its ESA listing appropriation in accordance with biological priorities.

Petitions are the primary tool available to the public to identify species that need to be listed. Anyone can petition FWS to list a species as threatened or endangered. FWS is required, within 90 days if practicable, to evaluate the petition to see if it contains substantive information indicating that listing may be necessary. If the petition does include substantial information, FWS is required to determine, within 12 months of the date the petition is received, whether the petitioned listing action is warranted. If listing is warranted, FWS may immediately issue a proposed rule to list the species, or, when faced with higher priority listing actions, find that listing is warranted but precluded. FWS reviews each warranted-but-precluded finding every year.

Unfortunately, FWS has been largely unable to process citizens' petitions during 2001. Instead, FWS has been forced to dedicate almost all available funds from its listing budget to designate critical habitat under court orders. This effectively prohibits FWS from addressing species that have greater biological needs, including species identified in citizen petitions. The proposed language, if adopted, would help ensure that FWS could work through the substantial workload resulting from current court orders and settlements, and establish a priority system for 2002 that will prevent remaining 2002 funding from being subsumed by additional court orders. This should allow FWS some latitude to respond to and act upon citizens' petitions.

With regard to citizen suit provisions in ESA, the budget proposal does not change the substantive provisions. Citizens would still be entitled to sue FWS regarding any deadline FWS misses. A court could rule and impose a remedy. The proposed language would merely limit the remedy by precluding the court from ordering FWS to spend 2002 listing funds on lower priority actions. That is, the language would prohibit courts from redirecting FWS's listing budget from higher priorities to lower priorities.

In addition, citizens would retain the right to legally challenge FWS if they believe that FWS is not spending 2002 funds as provided through its appropriation. Citizens could challenge the listing priority system as somehow being in violation of the ESA, or as being arbitrary and capricious. Finally, citizens could also challenge the implementation of the priority system, if FWS does not fund an action that the priority system indicates should be funded.

BUREAU OF LAND MANAGEMENT

Question. The Bureau of Land Management (BLM) is responsible for administering the right-of-way access for the Department of Energy's site characterization work at Yucca Mountain. The Department of Energy recently applied for a seven-year extension for two right-of-way reservations (N–48602 and N–47748), which expired in January 2001. It is my understanding that the BLM granted the extensions for both applications. How much additional time did the BLM grant the DOE right-of-way access to the relevant areas?

Answer. DOE requested a seven-year renewal for both right-of-way reservations N–48602 and N–47748. Two right-of-ways (ROWs) exist for one application because the original DOE application, submitted on January 24, 1987, distinguished between lands withdrawn for Nellis Air Force Base and lands that were not withdrawn. N–48602 required Air Force concurrence prior to renewal because part of the ROW lands is withdrawn to the Air Force. The Air Force recommended a three-year right-of-way because such time would be adequate to complete the study. Therefore, N–48602 is issued for a period of three additional years and is subject to concur-

rence terms from the Air Force. BLM granted N–48602's ROW for the withdrawn lands on October 10, 1989; the ROW expired on May 1, 2001. N–47748 was granted on June 1, 1988 and also expired on May 1, 2001. BLM granted DOE three-year right-of-way renewals for both reservations.

Question. If BLM granted a multi-year extension to the DOE, what activities will the DOE be allowed to undertake?

Answer. The DOE submitted a Plan of Development with the renewal application that was reissued. The Plan of Development is consistent with the prior Plan of Development and the Environmental Assessment completed for the project, which will allow DOE to continue to conduct characterization studies.

Question. Did the BLM place any restrictions on the access to the site in the event that the DOE completes its site characterization study?

Answer. Restrictions are placed on the use of these two rights-of-way. They are renewed for the purpose of conducting characterization studies of Yucca Mountain consistent with the use originally proposed.

WILD HORSE AND BURRO PROGRAM

Question. The wild horse and burro program received a $9 million increase in fiscal year 2001. I am deeply concerned that this money may once again be wasted by the BLM in Washington and at the Eastern States Office. What percentage of America's wild horses and burros live in Nevada?

Answer. Approximately fifty two percent.

Question. What percentage of the overall wild horse and burro program appropriation will be spent in Nevada?

Answer. Nevada BLM will directly spend approximately thirteen percent of the total Bureau wild horse and burro allocation. Palomino Valley Corrals, located in Reno, Nevada, funded by the BLM Washington Office organization, will spend approximately an additional six percent of the total. Funds for wild horses and burros gathered in Nevada and adopted in other States, such as the Eastern States office, are not included in these percentages.

Question. What percentage of the overall wild horse and burro program appropriation will be spent on Nevada horses?

Answer. Approximately 38 percent of the total Bureau wild horse and burro appropriation is spent to benefit animals originating from Nevada. It is important to note that Nevada's program is heavily focused towards on-the-ground management of herd management areas, and the necessary removal of excess animals. The Nevada organization plays a very small role in the preparation, care, and adoption of removed animals. In contrast, other States prepare, care for and adopt the majority of animals removed from their areas of jurisdiction. The reason for this is that Nevada's potential adoption market is very small. The preparation and care of Nevada animals occurs primarily at national program facilities, and to a lessor degree, at the facilities of other States. The BLM's Eastern States Office is responsible for adopting the majority of animals removed from Nevada, with the other western States adopting the balance. All cost associated with the long-term care of animals, regardless of the State in which they originate, is charged to the National Program. To date, no attempt has been made to break this cost out by those benefiting states.

When considering fiscal allocations it is important to note that Nevada's wild horse gathers are generally of a very large scale relative to the other States, making the gathers ideal for completion by contractors. For example, two of Nevada's fiscal year 2001 gathers are slated to capture 2,505 and 2,200 animals each. Individually these gathers are greater than the yearly total for any other State. A significant economy of scale is realized on Nevada gathers. The cost of removing an animal from the range in Nevada is significantly lower than that of a majority of the other States. Although Nevada is home to approximately fifty-two percent of all animals nationally, over the last four years (1998—2001) Nevada's share of animals removed from the range has averaged 60 percent, with the remaining States collectively averaging 40 percent.

Question. What percentage of the increased wild horse and burro appropriation will be spent in Nevada?

Answer. Nevada BLM will directly spend thirteen percent of the additional $9 million increase appropriated to the BLM. Palomino Valley Corrals, located in Reno, Nevada, funded by the BLM Washington Office organization, will spend approximately an additional six percent of the total. (See answer to Question 7.)

Question. What percentage of the increased wild horse and burro appropriation will be spent on Nevada horses?

Answer. Forty-four percent of the budget increase for the wild horse and burro program will be spent on Nevada wild horses and burros.

Question. How does per horse management cost vary between states?

Answer. Unit costs vary widely from state to state, across all aspects of wild horse and burro work. The variables that affect costs are numerous and range from local policy direction to physical characteristics of the habitat, to scale of effort, to the cost of hay. For example, costs that affect capture include whether the animals can be water trapped, like burros in the southwestern states, the density of tree cover, the severity of topographic relief, access, etc. Fiscal year 2000 capture costs varied from $184 per animal to as mush as $965 per animal. Preparation and care costs varied from $280 per animal to $1,350 per animal. Adoption costs varied from $346 per animal to $1,500 per animal. The same variability is seen in the other aspects of wild horse and burro work, including: AML establishment, compliance checks, census, and monitoring. No State was consistently the highest or lowest across the various types of work.

Question. I understand that it is less expensive to achieve herd management levels in Nevada on a per horse basis than in any other state. Do you share this understanding with me?

Answer. It is true, that because of economy of scale, the cost to remove an animal in Nevada is significantly less than the majority of other states. But because of the large size of the herds in Nevada, it does not necessarily follow that it is less expensive to reach AML on an HMA in Nevada.

Question. Given that we have limited resources to care for wild horses and burros, do you agree that we should target our monies where they do the most good?

Answer. Yes. We believe that the current strategy goes along way in this regard. Under the current strategy all herd management areas (HMAs) are gathered on a four year cycle. Under this strategy, states ensure that the highest priority HMAs are gathered to appropriate management levels (AML) first.

Question. Would you be willing to examine how we can get ahead of the wild horse and burro population curve so we can reduce our long-term expenditures on this program and further the recovery and protection of the rangeland upon which these and many other animals depend?

Answer. Yes. The Department and the Bureau stand ready to work with all partners for the betterment of wild horse and burro management. The current strategy, if fully funded, will achieve AML on all HMAs by year-end 2005. The BLM is confident that it has a strategy in place that will provide for healthy rangelands and viable wild horse and burro populations in a timely fashion.

GEOTHERMAL ENERGY

Question. Nevada has tremendous geothermal energy resources. We already have more than 200 megawatts of geothermal electricity production in the Silver State and the potential for 10 times that amount. Does the President's budget include funding adequate to address the backlog of geothermal energy applications in Nevada.

Answer. Currently BLM doesn't have a backlog of geothermal energy applications in Nevada, however, interest in geothermal resources in Nevada is growing and additional applications are expected. The President's budget does include funding to process expected lease applications. An additional $50,000 is requested in the 2002 budget to help address this growing interest. Since the beginning of 2001, Nevada BLM has received 44 noncompetitive lease applications totaling approximately 100,000 acres. The geothermal industry has also requested BLM Nevada conduct a competitive lease sale this summer. Within the availability of 2001 funds, Nevada will prioritize workload, reassign staff, and centralize functions to address the increasing workload.

NATIONAL PARK SERVICE—SNOWMOBILES

Question. This weekend the Administration announced that it will move forward with phase out of snowmobiles at Yellowstone National Park. I applaud your decision on this issue. Protecting the air and water quality and wildlife at Yellowstone National Park is a critical mission of the Park Service, and I am encouraged that you intend to keep this rule in effect.

As you know, the Park Service held 22 public hearings and gathered 65,000 public comments from Americans nationwide. They received 48,000 comments on the draft environmental impact statement, a majority of which favored phasing out snowmobiles at Yellowstone national Park. They received 11,000 comments on the final environmental impact statement, roughly two-thirds of which favored the phasing out of snowmobiles at Yellowstone National Park. And, they received 5,000 comments on the final rule, 80 percent of which favored phasing out snowmobiles at Yellowstone National Park.

Do you agree with me that the American public had ample opportunity to comment on the Yellowstone National Park snowmobile rule and support the rule by a wide margin?

Answer. By any standard, the number of comments received from the public on this issue indicates there was ample opportunity for the public to participate in this fashion. The issue clearly was networked through channels that are maintained by all the interested advocacy groups, both pro and con. The range of comments was broad, as documented in a 370 page appendix to the Final Environmental Impact Statement (FEIS) describing the comments and responding to them. Support for banning snowmobiles specifically, based on comments from the Draft Environmental Impact Statement (DEIS), exceeds support for retaining snowmobiles by 5 percentage points (49 to 44 percent). From comments on the FEIS, support for the ban was indicated by 54 percent of the respondents compared to 46 percent for those against the ban. As indicated, the preponderance of comments on the rule supported the ban.

Considering the history of the issue and the number of comments received throughout the process described above, the NPS believes there was ample time for commenting on the rule. Also, considering that few new issues of any substance were raised in the 5000 comments on the rule—that most were repetitive of previous comments—illustrates the sufficiency of the opportunity in light of the entire decision process.

SUBCOMMITTEE RECESS

Senator BURNS. Thank you very much, that concludes the hearing. The subcommittee will stand in recess until 10 a.m., Tuesday, May 1, when we will meet in room SD–138 to hear from Dale Bosworth, Chief, U.S. Forest Service, Department of Agriculture.

[Whereupon, at 11:40 a.m., Tuesday, April 24, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, May 1.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2002

TUESDAY, MAY 1, 2001

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.

Present: Senators Burns, Bennett, and Byrd.

Also present: Senator Craig.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENT OF DALE N. BOSWORTH, CHIEF

ACCOMPANIED BY:

RANDLE PHILLIPS, DEPUTY CHIEF, PROGRAMS AND LEGISLATION
HANK KASHDAN, DIRECTOR, PROGRAM AND BUDGET ANALYSIS
MICHAEL T. RAINS, DEPUTY CHIEF, STATE AND PRIVATE FORESTRY
CHUCK MYERS, FOREST SUPERVISOR, MONONGAHELA NATIONAL FOREST, WEST VIRGINIA

OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. We will call the subcommittee to order, the Subcommittee on Appropriations on Interior. This morning we will be visiting with the brand new Chief of the Forest Service, Mr. Dale N. Bosworth. We want to welcome you this morning. Mr. Bosworth and I have had a relationship a long time. He comes from Region One of the Forest Service in Missoula, Montana. I will tell the folks here, if you do not think that this is a sacrifice, you need to see his home down on the Bitterroot River. He has made a sacrifice to be here.

On a personal note, though, I am very serious when I say congratulations on being appointed the new Chief.

The Forest Service budget for fiscal year 2001 represented a dramatic increase over the Agency's budget in previous years. This is mostly due to the devastating fire season of last summer. The Congress appropriated almost $2 billion for the Agency's fire program, an increase of a billion dollars in that program alone.

President Bush's budget proposes modest growth for most of the Agency's programs, while retaining the bulk of the funds that were

included last year to improve the Agency's firefighting capability. I am very pleased that the budget maintains the majority of funding added to the fire program last year. Addressing the severe fire hazards we have had in our forests is going to take a sustained effort over the long term or we will have more devastating fires. We still have a lot of work to do in the areas that were devastated a year ago.

This year seems to be shaping up to be another bad fire season because of the lack of precipitation in many areas of the West. I know in my own home State of Montana our snow pack is only about 45 or 50 percent of normal and our moisture this spring has been minimal at best. Therefore, it is critical that we maintain adequate resources to protect our communities and forests from fire.

There are some areas of the budget request that do concern me, however. For example, most of the funding for long-term restoration of burned-over lands was eliminated. I think that is shortsightedness because I still think we have some work to do there. Restoring some of the lands that burned will take a number of years, and if it is not done properly we may lose these lands to the sexiest issue that you want to talk about in Washington, D.C., and that is weeds, invasive weeds.

I am also concerned about the budget for the timber program this year. The Agency has asked for a $6 million increase in its program. Yet the total planned offer level is only 2.1 billion board-feet. This is 1.5 billion board-feet below what the Congress directed the Agency to offer and what the Agency said it could deliver for 1 year. I think many of us want to know why the timber program continues to fail in meeting its accomplished levels or set levels by Congress and what the Agency can do to fix that problem.

Finally, I hope the Forest Service can get its books in order. The Agency has yet to obtain a clear audit opinion and remains on the GAO's list of agencies at high risk of waste, fraud, and abuse. The Forest Service has been making progress on the issue in recent years, but I encourage you to keep this top priority so that we can assure the public that the funds provided to the Agency are spent appropriately.

PREPARED STATEMENT

Thank you for joining us today, Dale. We appreciate that. We are looking forward to a long relationship and working with you on the many challenges that we face on our forest lands.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

I am very pleased to welcome the new Forest Service Chief, Dale Bosworth, before the Interior subcommittee today. Dale was previously the Regional Forester for Region 1 in Missoula, so Dale and I have worked together on a number of Forest Service issues in Montana.

I believe that Dale will be an excellent Chief and I look forward to hearing your testimony today in support of the Agency's fiscal year 2002 budget. On a personal note, I know that Dale is very serious about becoming Chief because he's giving up a beautiful home on the Bitterroot River in order to come to Washington.

The Forest Service budget for fiscal year 2001 represented a dramatic increase over the Agency's budget in previous years. This was mostly due to the devastating fires of last summer. The Congress appropriated almost $2 billion for the Agency's fire program—an increase of $1 billion for this program alone.

President Bush's budget proposes modest growth for most of the Agency's programs, while retaining the bulk of the funds that were included last year to improve the Agency's firefighting capability.

I am very pleased that the budget maintains the majority of the funding added for the fire program last year. Addressing the severe fire hazards we have in many of our forests is going to take a sustained effort over the long term or we will have more devastating fires.

This year seems to be shaping up to be another bad fire season because of the lack of precipitation we've had in many areas in the West. Therefore, it is critical that we maintain adequate resources to protect our communities and forests from fire.

There are some areas in the budget request that do concern me. For example, most of the funding for long term restoration of burned over lands was eliminated. Restoring some of the lands that burned will take a number of years and if it's not done properly we may lose them to invasive weeds.

I am also concerned about the budget for the timber program this year. The Agency has asked for a $6 million increase for this program yet the total planned offer level is only 2.1 billion board feet. This is 1.5 billion board feet below what the Congress directed the Agency to offer, and what the Agency said it could deliver, for this year. I think many of us want to know why the timber program continues to fail in meeting accomplishment levels set by Congress and what the Agency can do to fix the problem.

Finally, I hope that the Forest Service can get its books in order this year. The Agency has yet to obtain a clean audit opinion and remains on the GAO's list of Agency's at high risk of waste, fraud and abuse. The Forest Service has been making progress on this issue in recent years but I encourage you to keep this a top priority so that we can assure the public that funds provided to the Agency are spent appropriately.

Thank you for joining us today Dale. I look forward to working with you in your new role as Chief. I believe that my fellow Committee members will come to enjoy working with you as much as I have during these past years.

Senator BURNS. Now, a great deal of pleasure to recognize at this time our ranking member and sort of my mentor, Senator Byrd.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Mr. Chairman, I thank you for your kind words. Let me assure you that I enjoy working with you and I know that it is going to be a fine team here as we demonstrate that key word, bipartisanship, which we hear being bandied around a good bit.

Chief Bosworth, let me join in welcoming you here this morning. We appreciate your being here. Your presence today is especially notable, given the fact that this is only your second week on the job. I commend the Forest Service for proposing to maintain base funding for its operations in West Virginia and for adding a liaison position at the Wood Education Resource Center in Princeton. That is Princeton, West Virginia, of course.

The fiscal year 2002 budget request provides a strong level of funding for Forest Service recreation and research activities in my State. Last year I dedicated the new visitors center at Seneca Rocks, which joins with Cranberry Mountain Nature Center to form the basis for the Monongahela Institute. These centers in the Monongahela National Forest enjoy great popularity with the public, but the forest still needs master plans to guide future recreational services for the centers.

Additionally, the Monongahela National Forest, like national forests throughout the country, has serious maintenance problems that you will need to take care of as the new Chief of the Forest Service. Much research needs to be done to identify new uses for hardwoods, especially from small diameter and low value hardwoods.

West Virginia is home to a system of forest research facilities that are ideally suited to lead these efforts, including laboratories in Princeton, or Gardner to be more correct, Morgantown, and Parsons. The Wood Education Resource Center in Princeton and the Wood in Transportation Center in Morgantown are leaders in expanding the uses of hardwoods.

There are, as there have been in the past, contentious issues facing the Forest Service today: the level of timber harvests, the amount of grazing on Forest Service lands, the litigation concerning roadless areas, and the staggering maintenance backlog. All of these are matters you will be forced to address in the near term.

In addition, you have inherited an Agency struggling to regain control of its financial management systems. I am deeply concerned with the less than acceptable performance in that area. Let me say again, you have inherited an Agency struggling to regain control of its financial management systems. I do not know of any Agency that has appeared before any Appropriations subcommittee that I have sat on in the last few years that has done such a poor job in its financial management systems.

When the Forest Service Chief and his associates were up during the past few years, they were poorly informed. I was critical of them here, and they did not seem to get any better as time went on. So the Forest Service has justifiably received pretty low marks in my judgment, and I am a friend of the Forest Service. I am encouraged to believe that you are going to bring about some improvements and that over the next few years you are going to have this Agency in the front row, and you are going to correct the things that have been wrong.

I will certainly be watching and I will certainly want to be helpful. I want to be cooperative. This is a very important Agency to West Virginia.

The members of this committee and the American taxpayers expect nothing less than full accountability when it comes to the spending of tax dollars. This subcommittee will encourage your efforts for reform.

Mr. Chairman, I will reserve my specific questions until after the witness has had an opportunity to offer his testimony.

Senator BURNS. Thank you, Senator Byrd. I appreciate that very much.

Senator Bennett.

OPENING STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you, Mr. Chairman. May I welcome you to the chairman's chair. I was distressed that Slade Gorton had to leave the committee, as I think we all were. But you will prove a worthy replacement and we are delighted to see you there.

I want to welcome and congratulate the Chief of the Forest Service, Dale Bosworth. We consider him a Utahn. He was Forest Service supervisor for the Wasatch-Cache National Forest, headquartered in Salt Lake, and then as the regional forester for the Inter-Mountain region was headquartered in Ogden before he left to region one. So we feel we have a friend and a Utah native in

this position. Chief, we think it is refreshing to have a man of your experience and skill, and I congratulate you on your appointment.

There is a great deal of work ahead of you. Not only do the forests need tending, but, frankly, so does your Agency. I spend time out in Utah talking to Forest Service employees and there are some of them who feel professionally diminished by their experience in the last few years. They feel that their ability to make intelligent decisions has been taken away from them, pulled to Washington, and made by administrative judges who have been empowered by what was originally called the 29-cent appeal, and now I guess is the 34 or 35-cent appeal, where someone writes a letter and brings to a halt the intelligent management of the Forest Service by the folks on the ground while the appeals process goes through.

Now, you cannot change the appeals process, but you can empower the field employees to make decisions. I believe many of us here would be supportive of a limited Washington role and more support for the folks on the ground.

As I said, the forests need tending. One of Utah's national forests is in bad shape. I say that after a very frank and open discussion with the forester on the ground, and I have nothing but respect for her and her ability to make the intelligent decisions for the Dixie Forest. But the Dixie Forest, a good portion of it has been consumed by bark beetles, and what started as a limited infestation has spread rapidly, wiped out hundreds of thousands of acres of forests, and treatment has been complicated by the former administration's attitude, particularly with respect to the roadless initiative.

The forester on the ground has been hampered by what I consider to be political decisions aimed at the national media, rather than intelligent management decisions done by the people on the ground. I know that you are as concerned about the health of the Dixie as I am, but this is an example where in the name of headlines and publicity in the national media sound forest decisions on the ground have been compromised.

Unfortunately, the situation in the Dixie I am led to believe is not unusual or unique. It is the situation in many national forests.

So, Chief Bosworth, we welcome you. I think you are going to open a new chapter of intelligent management in our national forests, and I look forward to working with you. I appreciate the good relationship my office had with you when you were in Utah and assure you that we will do everything we can to see to it that my office is as responsive as we can be to helping you with your problems now that you are in this position.

Thank you, Mr. Chairman.

Senator BURNS. Thank you, Senator Bennett.

Senator Craig.

OPENING STATEMENT OF SENATOR LARRY E. CRAIG

Senator CRAIG. Mr. Chairman, thank you very much.

Dale, welcome to the U.S. Senate.

Mr. BOSWORTH. Thank you.

Senator CRAIG. Mr. Chairman, because I have had the privilege of working with this gentleman for a good number of years out in the field, first in Ogden and then in Missoula, as he was the care-

taker of the forest of south and southwestern, southeastern Idaho, and then became the caretaker of the forests in northern Idaho. He also happens to be a graduate of the University of Idaho School of Forestry, which is pleasing to me because that is a fine institution with an excellent reputation.

Senator BURNS. We are scrutinizing that.

Senator CRAIG. And we will. And we will, Dale. That alone will not get you through this committee.

I have had the opportunity of working with the gentlemen to your right and now I look forward to the opportunity of working with you. I am not going to repeat what my colleague from Utah has said because I agree with it.

As you know, I chair the Forestry and Public Lands Subcommittee of the Energy and Natural Resources Committee, and I have spent the last decade reviewing the Forest Service. I am now told that I have held more hearings on it than Hubert Humphrey held prior to the crafting of the National Forest Management Act of the seventies.

But the reason I did that, Chief, was because not only of the importance of the Forest Service and its responsibilities to millions and millions of acres of natural resources in our country, but because it has had and still today has a profound impact on my State and many States and communities of people across the Nation.

About a decade ago, assembled in Sun Valley, Idaho, were foresters from around the Nation to review the health of the forests. They concluded that the forests of the Great Basin in most instances were sick, dead, and dying, and said that without an active management scheme to relieve that condition of forest health that we could expect massive forest fires to sweep the countryside.

That was a decade ago. Last year, because of a near decade of inactive management, fires swept the countryside. It was the worst fire season in our Nation's history. The chairman lost over 800,000 acres in his State. I lost nearly a million in my State, most of it forested land. A severe impact on the economy, the watersheds, the wildlife habitat, and the communities directly associated with those forests.

Not all of that could have been avoided, but a forest health program, an active stewardship program, an active concept of management, could have helped a great deal. I believe we are on the threshold of that opportunity. No longer can some of our critics simply say the best way to manage a resource is to lock it up and walk away. We now know that some 58 million acres that are in question at this moment will probably not be locked up, because of the failure of a process or the damaging of a process that attempted to do so, and that is all good. Because I think it is time we review our forests on a forest by forest or watershed by watershed basis and determine what role of active management we ought to play and what we ought not play, get on with the business of our forest plans, and deal with stewardship in a way that it demands we deal with it.

I have got a new fire policy to implement that can be a part and parcel of all of that. There is a great many other things that have to be done out there. I think we stand ready, Mr. Chairman, to do a lot of that with you in cooperation.

Your presence before the committee today is a profound statement in my opinion, because what it says to me is that we will not follow the last 8 years of practice, and that is to politicize the Forest Service from the top and to disallow its management decisions to work their way up from the bottom.

About a month ago, Mr. Chairman, I spoke to a group of foresters in the Capital Chapter of the American Association of Foresters. The first question asked after I had made comments on what we believe this new President would do was a very simple one. It came from a forester. He said: If I make decisions at the field level that are based on good science and the law, will they be allowed to stand? In other words, what he was saying: Or will they be overruled like in so many instances they have been over the last 8 years?

My answer to him was: The law and science should stand, effectively reviewed by his peers; and of course, if there is an appeal, to work the process up through the system, but not to reach out from the top and to make the kinds of decisions that follow the political edicts of the day. That cannot stand. It will destroy the remaining forests of our country and it will not revitalize them in the health we need.

Your job is substantial. So is ours, to make sure you have the resources to do what is necessary to be done across the forests and forest preserves of our Nation. I look forward to working with you, Chief, and with your colleagues.

Thank you.

Senator BURNS. Thank you, Senator Craig.

On your first appearance, everybody wants to claim a piece of you, Dale. It goes back to the old story of Buffalo Bill. They said, you know, Nebraska spawned him, Wyoming claimed him, Colorado got him. So that is kind of the situation we are in right here.

Welcome to the committee. We look forward to your testimony.

SUMMARY STATEMENT OF DALE N. BOSWORTH

Mr. BOSWORTH. Thank you, Mr. Chairman. Mr. Chairman, Mr. Byrd, members of the subcommittee: It is a great privilege to be here today to talk about the President's budget for the Forest Service for fiscal year 2002. I would also like to say that, as Chief of the Forest Service for now 8 days, I am really deeply honored to have this opportunity.

I have with me today Randy Phillips, who is our Deputy Chief for Programs and Legislation; and also Hank Kashdan, who is the Director of Budget for the Forest Service. They will help me out with some questions that I may have a little difficulty answering.

I would also like to express my gratitude to Secretary Anne Veneman for the confidence that she has shown in me in selecting me for this position. I really want to thank the thousands of employees in the Forest Service, outstanding employees in my judgment, that have expressed encouragement and support for me. I really appreciate that.

I would also like to express my appreciation to this subcommittee for working with the Forest Service through this transition.

PRIORITIES

Today the things I want to talk about are the priorities that I am looking at for the transition period, at least the next 6 or 8 months, the first year, and talk about the National Fire Plan, protecting communities, and getting the broader focus of managing the Nation's forests and rangelands. And I want to talk about accountability, that several of you brought up. I recall Ralph Regula saying that accountability is more than simply good accounting, and I really agree. I think it is also delivering on our performance commitments, and we have to reestablish that capability and that reputation.

ON THE GROUND WORK

Talking about the priorities, first I am going to talk about on the ground work. It is extremely important that the Forest Service get work done on the ground. I recognize the fact that taxpayers do not want to see their dollars going into paperwork and not end up with results on the ground. I think that getting work done on the ground has been the foundation for our credibility in the past, and we need to regain that.

We also need to re-establish the connection between the headquarters, our Washington office, and the field. I feel like there has been some disconnect in the last few years and it is going to take some work, but I believe that we can re-establish that connection between the ranger district and the Washington headquarters and, that will help.

We also need to make sure that the initiatives and the policies that we set here in Washington really do not hinder the work getting done on the ground, but rather help find ways to facilitate getting that work done. I believe that we need to empower line officers. The Forest Service's greatest strength is the ability of our line officers to make and implement decisions that take local needs into account, that work with local people. I am concerned that that ability has become limited some in the last few years.

Each field unit has different needs, and we have got to be very careful that when we look at the whole 192 million acres of national forests and grasslands across this country that we do not come up with one single management philosophy and expect that to work on every single case. So we have to clearly understand what the differences are across the country, and that is why we need to make sure that those local line officers have as much decision space as possible.

LEADERSHIP

I think we need to take a hard look at our leadership, at the structure that we are using in the Forest Service right now in terms of our organization. We need to ensure access for the field folks to our people in Washington, to make sure that when the people in the field get to Washington they have an opportunity to have access to the deputy chiefs, to the associate chiefs, and to me.

OVERSIGHT

I think we need to place a higher priority on oversight. I feel like in the past few years that we have dropped the ball in terms of our responsibility at the national headquarters to make sure that things are working well on the ground and doing the management reviews and expecting at the regional offices that they do management reviews of the forests and so on. It is much better to have broad direction from here and follow up with reviews to see whether or not it is working.

OFF THE TOP FUNDING

I want to take a hard look at the off the top funding. We need to assess our strategic goals and our objectives, but we need to make sure that the funds that are held in headquarters are essential to accomplishing the mission of the Agency. We have begun a process of assessing the off-the-top dollars. That is probably the biggest effort that has been made along those lines in quite a few years, and we have more work to do and I want to assure you that I will be personally involved in that assessment.

AGING WORKFORCE

Another area of concern is the greying of the work force. Over the next 5 years, about 32 percent of the Forest Service employees will be eligible for retirement. We will lose a lot of experience and a lot of knowledge when those folks retire. Fortunately, we are going to be recruiting some fairly large numbers of new employees, and I think that gives us an unprecedented opportunity to get the skills and the talents that we are going to need to manage and lead, and it will allow us to balance permanent employment with providing jobs in local communities through contracting.

My fear is that as these folks go out that we will not have had an opportunity for them to mentor some of these new people. So I am going to be trying to convince some of these older folks that have been around for a long time to stick around and help mentor some of these new employees.

NATIONAL FIRE PLAN

I want to talk about the National Fire Plan. The restoration work that is necessary in the areas of burn-over in the huge fires that we had last year is a big job. We have, through your help, gotten significant investments that we can put into that, but it is a big job and we are moving forward in all these places where the fire burned and trying to restore those ecosystems.

We need to continue to respond to the increasing presence of people in the wildland-urban interface. As you know, the more people that move into those areas, the more problems that we have in terms of trying to help them protect their homes from fire. We need to work with people through education, we need to work with people through figuring out how they can manage their land, as well as how we manage the national forest lands, so that fire will not impact the communities and people in the wildland-urban interface as much.

The President's budget calls for about $1.3 billion for the national fire plan. That is going to allow some continued investments to reduce the threat and the severity of wildland fire. It seems expensive, but I assure you that it will not approach the future cost if the current practices continue, the future costs of suppressing wildfires and protecting communities.

Implementation of the long-term strategy can provide healthy forests that provide a sustainable flow of products and services. I believe that. The National Fire Plan I think is a really good example of what can be achieved when Congress and the administration cooperate. It provides an opportunity for us to balance forest restoration and community protection. It integrates community employment and expands the economic capability with the generation of forest and range land products to accomplish restoration activities. I am looking forward to working with you to extend that kind of balanced policy in other areas aside besides fire.

ACCOUNTABILITY

A little bit about accountability. As you know, accountability has been a significant emphasis for us for the past 3 years. I believe that my predecessor, Chief Mike Dombeck, did a good job of building a framework, but we have a long ways to go to regain the financial credibility that we need to have. We are going to continue on that path. We are going to work toward obtaining a clean audit opinion.

We need to be accountable, as I said earlier, for more than just financially accountable. We need to have some performance accountability in the Forest Service. We need to do what we say we are going to do. We need to deliver on our program commitments.

We are presenting our budget based on our capability to perform and the budget is displayed in terms of activity and output measures that directly correlate to performance outcomes. We started that last year and we are continuing on with that this year. Starting in 2003, we will have the basis, I believe, for a field-based budgeting process that will be more effective. It will ensure consistency throughout the budget formulation, presentation, and accounting process.

FOREST PRODUCTS

We are going to emphasize performance as an integral part of these budget requests. Now, I know you have a concern about forest products, an area of concern about forest products and our ability to perform there. I know that there is an appearance of reduction in the target. But it is very important to me that part of the accountability process to be realistic. I want to be very, very honest with you about what I believe our capacity, our capability, is to perform and then I expect to perform.

Partly because of past policy and limitations, our capability to deliver Forest Products has been reduced. In fiscal years 2000–2001, we were expected to offer 3.6 billion board-feet each year. 1.7 billion board-feet is what we produced in fiscal year 2000. We expect to offer similar levels this year, and in fiscal year 2002 we have closely assessed our capacity based on a variety of factors,

and we estimate that that level is going to be around the 2001 level.

We are going to assess our programs and try to determine what kind of opportunities we have in the future to increase production, especially in concert with restoration and protection. It may take several years to build up that capability and be able to increase it, and I do not think, nor do I believe, that we should attempt to reach the levels of forest products and revenues that we had in the late 1980's. But I do believe that we can do a lot better than what we are doing right now.

I also believe that that will lead to healthier, more productive forests. We need to recognize that Forest health and production is interwoven and it is compatible and we can do it in an environmentally sensitive way.

STEWARDSHIP CONTRACTS

Through your help, Mr. Chairman, we have got the opportunity to experiment with stewardship contracts. Those are sort of outcome, end results projects. In the northern region, the Forest Service had now I think 18 of those projects. I think it is a model approach to how we can collaborate up front, how we can look at the end results, how we can bundle all the projects into one contract, and then achieve the end results that we would all like to see on the ground. It is an opportunity to accomplish integrated resource management objectives and to work with the public and to get more work done on the ground that is dearly needed. We will find out how those work as the work continues to get done on the ground.

COOPERATIVE STEWARDSHIP

Accountability for production also has to take into account the non-industrial private lands, and through our State and Private Forestry program we are going to continue to emphasize cooperation to enhance stewardship.

RANGE ALLOTMENTS

I am concerned that we have fallen behind in the environmental analysis of our range allotments. We are going to focus on the factors to that shortfall and we will develop actions to improve that situation, or we will develop more realistic schedules.

RECREATION

Recreation is another place where we need to be accountable for the quality of the recreation opportunities that we provide. Over 70 percent of the U.S. population lives near a national forest or a national grassland. We need to erase the maintenance backlog that we have, and it is going to require more than just increased appropriations. We would like to work with this subcommittee on developing innovative solutions.

The President's budget proposes, for example, a 4-year reauthorization of the recreation fee demonstration project. That project has been successful in my judgment, although we have had a few

places where we have had some difficulties. It has been fairly successful.

CONCLUSION

So in conclusion, Secretary Veneman has stated very clearly that she would like the Forest Service to be a world class provider of goods and services. I believe that the Forest Service has the capability to do that. I am going to be personally devoting attention to achieving that goal through emphasizing the reconnection between the headquarters and the field units, by integrating the National Fire Plan with the management of the natural resources, and through improved accountability.

PREPARED STATEMENT

Again, I am deeply honored to be here. I look forward to working with you and I would be happy to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF DALE N. BOSWORTH

Mr. Chairman, Mr. Byrd, and members of the Subcommittee, it is a great privilege to be here today to talk about the President's budget for the Forest Service in fiscal year 2002. Let me also say, as Chief of the Forest Service for only eight days, I am deeply honored to have this opportunity.

First, I want to express my gratitude to Secretary Veneman for her confidence in me, and to say thank you to the dedicated, hard working employees of the Forest Service for their support and encouragement. Let me also express my appreciation in advance to you Mr. Chairman, to you Mr. Byrd, and members of the Subcommittee for working with the Forest Service and me during this transition. Chairman Burns, you and I worked together for quite a few years while I served as the Regional Forester in Region One. I look forward to continuing that excellent relationship.

I would like to start my testimony by saying a few words about myself and my long-time commitment to the Forest Service. I have worked in the Forest Service for 35 years. I am what in the Agency is often called a "Forest Service brat," a title I inherited because my father was also a leader in the Agency. It is fair to say I have a lifetime of being part of the Forest Service culture, traditions, and debates about management of America's forests and rangelands. Coming from this background, I am truly humbled by the duties entrusted in me as Chief and I am eager to lead this Agency through challenging times.

In my testimony today, I will talk about three areas of emphasis. First, I will discuss my priorities in the short term as the Agency transitions its leadership. Second, I will discuss the National Fire Plan and how its strong focus on protecting communities from the dangers of catastrophic fire represents a broader focus on how, in general, we need to manage the Nation's forests and rangelands to protect communities and natural resources, and provide services and products on a sustainable basis. Third, I will discuss Agency accountability. I recall about two years ago, then House Subcommittee Chairman Ralph Regula saying, "Accountability is more than simply good accounting." I couldn't agree more. I will talk about accountability not only in the implementation of financial reforms, but also from the standpoint of delivering on Agency performance commitments. In doing so, I will need to be perfectly candid about the immediate capability of the Forest Service to meet expectations of performance in two key programs.

SHORT-TERM PRIORITIES

Mr. Chairman, as a Regional Forester in two regions over the past 7 years, and in many other positions in the Forest Service, I have developed an appreciation for how the job being performed "on-the-ground" by our employees is the foundation of our credibility with the public. This applies to researchers, employees on the National Forests, and employees who provide support to State, local, Tribal and international stakeholders. It is the responsibility of employees in the national headquarters and at the regional offices to ensure the best possible support is given to that "on-the-ground" job. Over the next several months, I want to emphasize what

I think is essential in establishing a "reconnection" between the headquarters and the field. I want to make sure that ongoing initiatives to improve financial compliance and track natural resource information do not unintentionally hinder employees from performing the "on-the-ground" work. This assessment of ongoing initiatives does not alter the Agency's commitment to moving forward our commitment to financial accountability.

One of the greatest strengths of the Forest Service is the ability of line officers at the forest and ranger district levels to make and implement decisions that take local community needs into account. I am concerned that in recent years this ability has been limited by an over-reliance on top-down initiatives that have dis-empowered local decision making, and have prevented the greatest possible funding from reaching the field unit level. I firmly believe that each field unit has different needs. A single management philosophy cannot produce healthy forests and rangelands that provide opportunities to deliver goods and services across the wide array of environments in which our National Forests and Rangelands exist.

In the immediate future, I want to work closely with Secretary Veneman to assess recent initiatives to make sure the ability to manage and protect our diverse resources is not adversely affected. We will assess the Agency's strategic goals and objectives to ensure full compatibility with local forest plans and priorities. To get the Agency's work done "on-the-ground", it is critical to ensure funds held at the headquarters and regional levels are only those funds that are essential to accomplishing our mission. In recent years the amount of funds taken "off the top" has grown to unprecedented levels. While the majority of this funding ultimately goes to the field, too much does not. Too much of this money does not go to projects that directly support "on-the-ground" accomplishments. Only just recently the Forest Service, with help from field line officers, began the most intensive screening of this "off the top" funding in years. I will personally make the final decision on funds held at the headquarters level.

I also intend to take a close look at the organizational leadership structure of the Forest Service. I want to make sure our line officers are empowered to make and implement natural resource management decisions at the field level, in the best tradition of our decentralized organization, while assuring that systems used in the field meet best business practices and are consistent and comply with national laws, regulations, and policies. I have already taken steps to realign the reporting structure of our Regional Foresters and Station Directors, so they have the best possible access to me, as Chief, and I assure you I will place priority emphasis on providing the best oversight possible for administration of the Agency.

An issue that concerns me greatly is often called "graying of the workforce." In the next 5 years 32 percent of the workforce will be eligible for retirement. Only 9 years ago, the Forest Service had 643 permanent employees less than 25 years of age. At the end of calendar year 2000, we had only 137 employees under 25. At the same time, the number of employees over 50 has climbed from 7,814 in 1992 to 10,232 today. My fellow employees and I consider working for the Forest Service to be a privilege and an honor. I want this Agency to be an employer of choice. Primarily as a result of implementing the National Fire Plan, for the first time in a long time, the Forest Service will be recruiting large numbers of new employees who will become leaders in the Forest Service by the end of this decade. We have an unprecedented opportunity to emphasize recruitment of a workforce that reflects America's broad diversity and provides the appropriate mix of skills and talents needed by the Agency. Having described the value of new hires, let me also emphasize the importance of an appropriate balance of staff to other resources. This includes hiring full-time and temporary Forest Service employees to replace the large number of employees expected to retire in the near future. It also includes partnering with businesses, corporations, and other groups to accomplish important on-the-ground work and to increase the Agency's ability to respond to local needs through increased local employment and community involvement. I intend to personally review and monitor how we balance the recruitment of our workforce and future leaders, and the use of local businesses and the private sector. Only through building an effective organization can we rise to meet the challenges of the future.

NATIONAL FIRE PLAN

As a Regional Forester, I personally witnessed the catastrophic wildland fire that occurred in the Bitterroot Mountains of Montana last year. The cost to restore the lands in the Bitterroot, and other lands blackened by wildfire throughout the country, to a healthy and productive condition will require significant investments over many years. Further, there will continue to be a need to respond to the ever-increasing presence of people in the wildland-urban interface. We must continually assess

how we invest to protect communities and resources, how we ensure our readiness to suppress wildland fire where necessary and manage fire where it benefits the land, and how we enable effective cooperative fire suppression and management among Federal, State, Tribal, and local organizations.

Last year, the Forest Service spent $1.1 billion for fire suppression. The President's budget in fiscal year 2002 provides $1.3 billion in support of the National Fire Plan. This will allow the Forest Service to continue investments to reduce the threat and severity of wildland fire over the long term. Investing in firefighting and hazardous fuel reduction capability will lead to healthy, restored, fire-adapted ecosystems. While these investments may appear to be expensive, the annual cost of hazardous fuel reduction won't approach anywhere near the costs of catastrophic wildland fire suppression, the subsequent restoration of damaged lands, and the costs to the people living in or adjacent to our forests who could lose their homes, livelihoods, or even a loved one. The good news is that with a cohesive investment, costs can be reduced in the long term. Beginning with the programs implemented by the National Fire Plan we can develop a long-term strategy to provide healthy forests resistant to wildland fire, insects, diseases, and noxious weeds that provide a sustainable flow of products and services.

The National Fire Plan is a good example of what can be achieved when Congress and the Administration work together. The Plan allows the Forest Service to improve the health of our Nation's forests by providing the resources needed to protect communities and natural resources from wildland fires and invasive species. Additionally, through our outstanding Research and State and Private Forestry programs, the Fire Plan provides funding to develop technologies that will increase the use of forest products by communities and industry. These programs have the potential to make it economically beneficial for the Forest Service and private industry to restore the health of the land by increasing the value and use of traditionally non-or low valued forest products. The balancing process of restoring forests and protecting communities will integrate local community employment and expanding local economic capacity with the generation of forest and range products to accomplish restoration objectives. The President's budget in fiscal year 2002 provides the emphasis and funding needed to integrate the National Fire Plan with the full array of Agency programs. I look forward to working with you to extend this type of balanced policy to all aspects of Forest Service natural resource management.

ACCOUNTABILITY

Protecting communities and restoring forests and rangelands under the National Fire Plan will require that the Forest Service be held accountable for program accomplishment. Accountability has been a significant emphasis of the Agency for the past three years. Former Chief Mike Dombeck did a great job of building the framework to restore the financial integrity of the Agency. Under the direction of Secretary Veneman, we will continue on the path of bringing our financial management and accounting of Agency assets into full compliance with the best business management standards. We will continue our progress towards obtaining a clean audit opinion.

However, as I mentioned earlier, being accountable is much more than having good financial accountability. It is delivering on program commitments. The President's budget for fiscal year 2002 continues what we began in fiscal year 2001. We are presenting our budget based on our capability to perform. Our budget is displayed in terms of activity and output measures that directly correlate to performance outcomes. These measures will, for the first time, be the basis for a field-based budget, which we are implementing in fiscal year 2003 as this Subcommittee has directed. These measures will form the core structure of our accounting system and will ensure consistency throughout the Agency's budget formulation, presentation and accounting process. This structure will allow us to emphasize performance as an integral part of budget requests.

Let me focus on areas of performance accountability that I know concern many members of this Subcommittee. The President's budget for fiscal year 2002 proposes what may appear to be a significant reduction in the "target" for forest product accomplishment. To be accountable for performance, we must first be realistic about our capability. Mr. Chairman, in the area of forest products, because of policy emphasis over the past eight years, the Forest Service's capability has been reduced. Unfortunately, this has not been adequately reflected in past communication to Congress. For example, in fiscal years 2000 and 2001 the Agency was expected to offer 3.6 billion board feet (bbf) of timber volume. In reality the Agency offered only 1.7 bbf in fiscal year 2000 and expects, at best, to offer a similar level in fiscal year 2001. For fiscal year 2002 we have closely assessed our capability based on a variety

of factors, including; the costs and time to navigate the complex appeals and litigation processes, the need for additional work directly attributable to legal decisions, the virtual elimination of a forest product pipeline, and the past inability of the Agency to view forest product production as an integral aspect of protecting and improving forest health. Mr. Chairman, we estimate that in fiscal year 2002 the forest product offer level will be somewhere in the neighborhood of the fiscal year 2001 level.

This lower forest products estimate is not good for forest communities and it is not good for the environment. The lower levels may stress the already struggling natural resource dependent economies of many of our nation's forest communities. It also is not adequate to reduce the extraordinary amount of woody material contained in many parts of the National Forests to traditional historic conditions. Active vegetative management actions, including timber harvesting can restore forest ecosystem health, reduce invasive species, and reduce the risks of catastrophic fires.

With this in mind, I believe being completely honest about capability issues such as this is an essential element of being accountable. In this fiscal year we will assess our programs to determine future opportunities as to how we can target programs and resources to increase the production of forest products, especially in areas as a means of restoring and protecting forest health. It may take several years to reach an increased level. Let me also make clear that such increases may not approach the levels or produce the revenue experienced in the late 1980's. However the end result will be healthier, more productive forests.

Increases in forest products from the National Forests will require full recognition that land health and the production of goods and services are interwoven and entirely compatible. Consistent with these combined goals, we must develop new methods for compatible use of renewable resources. We will closely assess the lessons learned from the end-results stewardship contract demonstration projects that Congress authorized with your help, Mr. Chairman. I believe this authority offers numerous opportunities with potential as an excellent tool to accomplish integrated resource management objectives.

I am also concerned that we have fallen behind in the environmental analysis of many of the range allotments on National Forest lands. Despite a schedule that targeted completed analysis on 4,174 allotments by the end of fiscal year 2001, we currently expect to complete 3,398 in this timeframe. We will focus close attention on the factors that have contributed to this shortfall, and develop actions to improve the situation within the available funding or develop a more realistic schedule.

I believe that Agency accountability for the production of forest and range products must take into account the capability of non-industrial private lands to also provide a sustainable flow of products. Forest Service programs strongly support this objective. The fiscal year 2002 President's budget provides funding for our State and Private Forestry program to continue emphasizing cooperation with State, Tribal and local authorities in enhancing sustainable stewardship of the rural and urban forest. This strong relationship with our partners will be an integral part of our programs in the years to come.

The Forest Service is also accountable for the services it provides to the Nation for recreation. We are in many ways, America's backyard. Over 70 percent of the population of the United States lives within an easy day's drive of National Forests or National Grasslands. We are emphasizing performance accountability in how we meet the recreation demands of America. The attention of this Subcommittee to the condition of facilities used by the public has been greatly appreciated. We need to face the fact that a status quo approach to managing facilities will not halt the decline of our infrastructure. We would like to work with you to develop innovative solutions to this problem.

An additional element to support the demand for quality recreation is the Recreation Fee Demonstration program. This program has been a success. The President's budget proposes a four-year reauthorization of this program.

I believe accountability centers on the ability of the Forest Service to clearly state its performance objectives at specific budget levels and then, based on final appropriations provided by Congress, deliver on the accomplishment of those objectives. I am committed to providing the Agency's line officers with the resources to perform "on-the-ground" work, and systems that allow them to report how well they are performing. To accomplish this we must emphasize performance accountability as strongly as we emphasize financial accountability.

CONCLUSION

Mr. Chairman, Secretary Veneman has clearly stated to me that she wants the Forest Service to be a world-class provider of goods and services for America. I know

the Agency has that capability. To that end, I intend to personally devote my attention to achieving this goal through emphasis on an organizational reconnection between headquarters and field units, integration of the National Fire Plan with the active management of our natural resources, and continued aggressive adherence to improved performance accountability. Let me again say that I am deeply honored to be the Chief of the Forest Service. I look forward to working with you and thank you for your support. I will be happy to answer any questions.

FIRE MANAGEMENT

Senator BURNS. Thank you. Thank you, Chief.

It seems as though there has been a swirl of articles about some mismanagement of the fire season last year. One of them showed up in a New York Times article, and I think you read that article. I think the author of that article in some areas could be a little amiss and maybe really does not fully understand the situation.

As you know, we went through a terrible fire season last year and there is no doubt about it, there were places where we were caught kind of flat-footed, and did not always have fire bosses and qualified personnel to lead at times in a very serious fire season. Last year was a wakeup call, and everybody that I have talked to in the Forest Service are saying we learned a lot last year and we are not going to let that happen again.

That is the reason that the Congress chose to fund the fire plan that gives you the resources to take care of some areas where we were very shortsighted.

I would ask, how do you respond to these articles that we see in the New York Times, the one specifically, regarding the way firefighters were handled last year?

Mr. BOSWORTH. That particular article talks about the waste, a lot of people sitting around without a whole lot to do, eating really good meals, a number of similar kinds of things; it would appear that there is a fair amount of waste going on. Now, I think any time that you bring a whole bunch of people together in 24, 48 hours, there is obviously going to be some slowdown time.

When I think about the Bitterroot Valley as an example—and you were up there and saw what was going on—the fire camp was the second largest town in Ravalli County. That was put together in a very short period of time and I think, was done amazingly well.

There are lots of reasons why people might not be out building fire lines. In some cases, we will have people that are spiked in a spike camp when we know there is a red flag warning, for example, where we are going to get new lightning strikes and we want to have crews that are ready to go to suppress new strikes. We did not want to have any new fires start. So that could be one situation where we have people that appear to be sitting there without actively working.

In some cases, just getting all the equipment together, the buses to get the crews up to the fire line, the other buses to get the crews back, sometimes leads to a little bit of lost time in terms of having the crews on the fire.

I think we do a fairly good job in terms of keeping our eye on how much these, these fires are costing. I know that with the fires, at least in the northern region—I am sure it was done in the other regions as well—where we had large projects, we brought in a

comptroller with the green eyeshades to keep their eye on what we were spending and what we were doing.

Another issue in that article is that sometimes we are putting fires out, suppressing fires that we should not have been, that we were wasting dollars suppressing some of those fires. What we were doing this past year was, again we did not want new starts. We were strapped to the very end and so we wanted to make sure that we did not have new starts that burned in new project fires that we had to put numbers of new people on.

So I guess my summary is that there probably are some things, we can always improve upon and we can do better. I think that article is the view of a person at a certain part of the endeavor, the effort. I have a different view from looking at it from a different place. But I assure you that we are going to continue to make sure that the dollars that get spent on suppressing fires are spent well, that we are accountable for those dollars.

Senator BURNS. Well, those of us what have spent some time on a fire line understand some of those things. I know that we had a breakdown as far as getting our equipment in place, and we talked about that in the upper regions of northern Montana, and getting our red card people in place and getting them qualified to do the work if we have a bad fire season.

OVERSIGHT

You mentioned a thing called oversight. I happen to believe that oversight can be a very positive thing. It brings things out on the table in a manner in which Congress and the Agency and the public understand it. We also get into some of those problems and get them squared away. I know that every time you mention an oversight hearing in a specific State, I do not care of it is West Virginia or Montana, it seems like there is always a negative pall that is thrown over that, that there is something wrong or there is something going on. I think oversight sometimes is very, very good. It enlightens and brings to the surface some things that we should be doing.

I for one, am going to look into the idea of some oversight hearings even this summer before we get into the depth of the fire season, to make sure that we know where we are, where we are going, and what has to be done. I will be hoping to work with you and the people on the ground. You are exactly right, that is where the rubber hits the road and accountability there is very, very important.

FOREST PRODUCTS

This year's budget request for timber is $6 million more than it was a year ago, Chief. You only proposed 2.1 billion board-feet in production. This is a billion feet board-feet less than a year ago. A comparison of your budget submission from last year to this year shows that your unit cost per thousand board-feet has gone from $120 per thousand to $180 per thousand.

Now, we know that right now we have some depressed prices in the forest products industry. I think that may have bottomed out and it might be hitting another, but will begin working its way up. But can you explain why this large increase?

Mr. BOSWORTH. Well, first you have to look at what I would call comparing apples with apples. If you look at the last fiscal year, the previous fiscal year, we were given a certain amount of dollars, but we did not produce the 3 billion board-feet, or the 3.3, whatever the number was. What we really produced was something less, and the actual dollars per thousand were more like $190 or $195 per thousand. What we are proposing for this year would be about $180 per thousand.

So while the planned sale, if you compare it against the planned sale program, it would have been $130. But if you compare it against the actual accomplished sale program, it was more like $190 or $195. So I think we are fairly similar in our request this year from what we actually produced in the last 2 years.

Senator BURNS. Chief, is there any way that you know that we can put this in a perspective? Okay, you offered—last year we said you had to offer 3.1 billion board-feet. How much did we actually cut? Do you know, have any idea, last year?

Mr. BOSWORTH. Well, let us see if these guys have the actual numbers for me. But we get confused, I think, between the offer, the sold, and then the actual harvest. We will offer timber for sale and then sometimes it sells and sometimes it doesn't, for a variety of reasons, especially when you have a market, a timber market like it is right now.

Then we have the figure that we actually sold. Then we have the figure of harvested, which may be timber harvested from sales that were sold last year, the year before last, or this current year. We have got the figures for all of those.

What was actually harvested last year was 2.5 billion.

Senator BURNS. You think the prospects are as good this year?

Mr. BOSWORTH. I think the prospects are, the number should be around 2.2 billion is probably what we would harvest. That is what we are estimating for this year.

Senator BURNS. I have some more questions along that line.

Senator BYRD. Complete your line of questioning.

Senator BURNS. Well, an the effect of this timber program, will the Agency have any more success in meeting the lower proposed offered level this next year? That was one of the questions. You have already answered that one.

IMPACT OF NATIONAL FIRE PLAN ON FOREST PRODUCTS

Let us talk about the effect of the fire plan on that. How does that affect your willingness and your ability to get out these cuts mandated by the Congress?

Mr. BOSWORTH. Well, the National Fire Plan obviously is a very high priority for us. I also think that there are opportunities to be compatible through the National Fire Plan through fuels reduction projects, restoration of the burned areas, looking at what we need on land. Then that provides us the opportunity to remove what is not needed through fuel reduction projects and what-not, and it also contributes to providing products for the timber industry.

So I think those are compatible. One of the difficulties we have, frankly, is working our way through the myriad of processes that we have to get through the environmental impact statements, through the consultation, all the different kinds of paperwork and

red tape that we need to get through to actually come out with something in the end. That is part of the reason that we tend to fall behind, because of the long time period that it takes. Then other factors pop in during that period that set us back.

Those are some of the issues that we need to look at to see how we can streamline those processes so that we are able to be more efficient and meet our obligations.

HARTWOOD COURT CASE

Senator BURNS. Categorical exclusion and forest health and stewardship. We were told by the previous Chief that they were going to deal with these issues and write the rules and regulations so that they could deal with the court order. It was never done. Will you—are you going to pursue writing the rules and regulations so that we can get away from that and get out from underneath that court order?

Mr. BOSWORTH. Yes, I need to get a better understanding specifically of what the problem was with the Hartwood case and why it was—why the ruling was the way it was. But I do believe that there is a place for categorical exclusions on timber sales. Maybe the approach needs to be more focused on the kind of environmental effects of a project as opposed to the volume, which is what, the volume number, is what we had in there before.

It seems to me that there is an opportunity to take care of that. Now, I do not think it necessarily has to be through rule-writing, but again I just have not had a chance yet to get that sorted through. But the answer is yes. I want to, one way or another, have a categorical exclusion process that makes sense, that we can withstand in the courts, that the folks in the field can use for certain kinds of projects.

Senator BURNS. Thank you very much.

Senator BYRD. Thank you, Mr. Chairman.

MONONGAHELA NATIONAL FOREST

I call attention to the presence in the room of Chuck Myers, who is the Forest Supervisor for the Monongahela National Forest. Now, Chuck, stand up. I want the Chief to really know you.

Chief, I know you are going to be very, very busy. You are just getting started and you have got a big job to do, because that big job was not done so well during the recent years. It makes your job even more difficult. But I hope you will have an opportunity to visit some of the Forest Service facilities in West Virginia. We would love to have you down there. I would love to visit them myself again, hopefully this year, after a long period of years.

I hope when I go to them they will say: Well, the Chief of the Forest Service got here before you did. He was here some time ago. That will give us a shot in the arm and it will be good for our people. It will acquaint you with a very beautiful State and with the opportunities for growth in our Forest Service facilities. I hope you will have an opportunity to go down there.

MAINTENANCE BACKLOG ON MONONGAHELA

The Monongahela National Forest features recreation areas, campgrounds, and 700 miles of hiking trails, but much work needs to be done to bring the forest up to its full potential. The Monongahela, like many other national forests, has a backlog of maintenance work that needs to be addressed. Visitors to the Stuart Recreation Area and the YMCA camp at Horseshoe Run are subjected to health and safety risks because of their inadequate sewage systems. Now, I hope we can make new sewage systems for these popular sites a priority in the 2002 budget, and I hope I can count on your support in building safe and accessible sanitation facilities in the Monongahela National Forest.

If you want to do something other than just nod your head, you may do so. We like to have it on the record.

Mr. BOSWORTH. I would like to say a couple of things. The first is I want to go back to your introduction of Chuck Myers and I want to say that I intend to know every forest supervisor in the Forest Service personally and spend time with every forest supervisor, so that I understand clearly the issues and the problems that those folks are dealing with. I am looking forward very much to doing that.

I agree with you that the backlog is serious and I have been to the Monongahela National Forest. I took a tour there in 1991. But I have not spent a lot of time there, and I am looking forward to getting back to that part of the country and seeing more of that national forest. It really appeared to me to be one of the really beautiful national forests.

I also visited some of the visitors centers when I was there. I cannot remember the names of all of them. One of them, Cranberry something——

Senator BYRD. Seneca Rocks and Cranberry Mountain.

Mr. BOSWORTH. It looked to me like some of those facilities back then were in need of some improvements. I do know that we have a serious backlog.

Senator BYRD. Thank you.

ROAD STABILIZATION AND WATERSHED RESTORATION

The Monongahela National Forest has been working for many years to assess the damage caused by sedimentation in streams and rivers. Stream sedimentation is largely the result of previous forest activities, such as logging and road-building in streambeds. Several roads in the forest have been identified as high priorities for stabilization or reconstruction to protect nearby streams. One is in the May-Little River watershed. Another is in the Williams River area. The third provides access to the Highland Scenic Highway.

Do you think the Forest Service budget request will accommodate $920,000 in 2002 for road stabilization and watershed restoration in the Monongahela National Forest, or do we need more money?

Mr. BOSWORTH. Well, we always need more money. You know that.

Senator BYRD. That was a leading question.

Mr. BOSWORTH. It is just one of the inherent things about the Forest Service.

The figures, in terms of the total amount for those specific places, $2.8 million is the figure for now. But I want to say that the backlog—and I am not sure that I clearly understand the specific areas. But I do know that, for example, the backlog in the Monongahela is $23 million just for roads, and another $466,000 for other facilities. I am not familiar enough to be able to split those out among each individual area.

Senator BYRD. Well, yes, I can appreciate that. Just review these questions later and give whatever attention you can give us for these matters. That is all I could ask you for now.

WOOD EDUCATION RESOURCE CENTER

Let me call attention to the Wood Education Resource Center in Princeton, West Virginia. I spoke with you about that recently when you were kind enough to visit my office. There had been a serious management and financial problem several years ago and I asked the Forest Service to rectify the situation, and it did.

I especially want to call attention to the good work done by Michael Rains. You may or may not know Michael yet, but he is a good man to know. Is he in the audience today?

Mr. BOSWORTH. Yes, he is.

Senator BYRD. Oh, in the front seat, in the front now. That is where he belongs. He is a good man.

Now, I would like to know the status of the management reforms at that center. Can we hear about that?

Mr. BOSWORTH. I will let Michael help a little bit on this, but my familiarity with the project is that there is a fair amount of work that is being done there to be able to use and figure out how to use wood products in highways, bridges, signs, places where we can develop barriers to sound, some of those kinds of things.

I think there are some great opportunities to pass that technology along, to help inform people. I know that those folks are working hard on that. I know Michael has a lot more specifics that he could supply.

Senator BYRD. That research center has been there over 40 years, and it is the result of an effort that I made when I first came to the Senate, going on 43 years ago. I took Dr. Ralph Marquis—he is now deceased—from the office in Pennsylvania. Would that have been Philadelphia?

Mr. RAINS. It was Upper Darby.

Senator BYRD. Upper Darby, that is right. We went down there at that time and took a tour of several counties. I believe I spoke to you about that when you were in my office. As a result of our visit, Dr. Marquis recommended that a laboratory be established there. I asked him how much money he needed. I believe he requested $400,000. That is the figure that sticks in my mind.

In any event, the laboratory was established there and has been doing great work. In conjunction with that laboratory, came the Wood Education Resource Center. Mr. Rains has done yeoman's work there. I personally want to thank you publicly here this morning.

If you would not mind, I would like to ask again, what is the status of the management reforms at that center?

Mr. RAINS. Thank you, Senator. As you recall, a couple years ago it was a private enterprise, the Wood Education Center, and through your leadership we were able to move that over to a Forest Service facility. Actually, it is doing really quite well right now. Our proposed budget has a level of funding for the maintenance of the program.

The focus of the center, as you know, is on training. It is really, the overall objective is to be a center, a national center of excellence for hardwood utilization through training, technology transfer, applied research, and also to make sure that the research stations in West Virginia and across the country are linked well with the applications.

The people that were there at the center before are now Forest Service employees. Our next step is to take the management of the center and actually have a private group come in and begin to manage the day to day operations. We think that will probably take place late summer, maybe early fall. That will really be the capstone of, I think, the efficient running of that center.

Senator BYRD. Very well. I do not want to belabor the point here. We are being pushed for time. We have a roll call vote coming around 11:00.

Let me ask, Mr. Chairman, if you will, just two other brief questions. Thank you, Mr. Rains.

SMALL DIAMETER AND LOWER VALUE RESEARCH

A research project that is of special interest to me utilizes wood products from small diameter and lower value trees to filter water runoff. West Virginia has a bountiful supply of small diameter wood, and an extensive system of rivers and streams and a superb forest products laboratory, which we have just been talking about, at Gardner, which is near Princeton in Mercer County, where I first started school in 1923 in a little two-room schoolhouse. When you go down to Princeton and visit that fine lab there, just remember that I told you I started school there in 1923.

Mr. BOSWORTH. I will remember that.

Senator BURNS. Is the school still there?

Senator BYRD. The school is not there, and no other two-room schools are there, I am sorry to say. I wish we had more two-room schools and one-room schools, where teachers could really get to know the students and the students could get to really love the teachers. Each could teach and learn, respectively, without all the problems of discipline that they have in many of the schools today.

Well, I should not get off on that. I could speak the rest of the day. So West Virginia has a superb laboratory there, and I think it would be well suited to test and further develop this promising approach to cleaning runoff water before it enters municipal water supplies.

Do you see this as an effective and affordable technology that might be extended to new test areas, especially in West Virginia?

Mr. BOSWORTH. Yes, I do. In fact, I have an example of the storm water filtration mat that I think you are talking about. It is made from small diameter wood fibers, and it was developed at the For-

est Products Laboratory in Madison, Wisconsin. I think we have an opportunity to work with the Princeton lab to see if we can establish some kind of test site at least and then apply it, see how that would apply in West Virginia.

I think that there may be some very interesting opportunities from this wood product.

Senator BYRD. You also have an ongoing project that uses trees to clean contaminated groundwater. I would be especially interested to know if that approach would be a cost effective way to improve the water quality in West Virginia.

Mr. BOSWORTH. Well, from what I can gather there is a high potential for that. It has been fairly effective, the tests have been effective, in removing contaminants from water. There has been some study to see what further applications there could be outside of urban areas in rural areas and in the forest as well. I do not think that the research has been completed in terms of finding out exactly how it is from a cost effective standpoint.

But like many things, as you study it more and learn more about it does become more cost effective. So I think it does have a high potential of being a cost effective way of removing contaminants.

Senator BYRD. I am glad to hear you say that.

DRUG PROBLEM IN THE NATIONAL FORESTS

Finally, I am concerned about the continuing drug problem in America, particularly among our young people. The Forest Service has done a commendable job of finding and eradicating cannabis, marijuana plants, in the national forests. The Forest Service reports that it eradicates over 700,000 plants year after year. This would indicate that we are not making much, if any, headway in preventing the use of national forests by marijuana growers.

Your budget request asks for $76 million for law enforcement operations and for only 460 uniformed officers to cover 192 million acres of forest and rangeland. That is an average of 417,000 acres per law enforcement officer. One agent cannot possibly cover that much territory. The Service's law enforcement plan for 2002 is for a law enforcement capability of only 30 percent. That does not sound like a very ambitious goal, and the administration does not propose any program increases for law enforcement operations.

By comparison, the Congress appropriated $1.3 billion last year for emergency drug eradication in Colombia, which is 17 times more than we spend to control drug production in our own national forests. I do not think that is a very good message to be sending to the world when we cannot control drug production in our own national forests.

This final question is, naturally, what does the Forest Service need to get this under control?

LAW ENFORCEMENT

Mr. BOSWORTH. Well, first let me say that I would like to go back to the 30 percent figure that you talked about. For 30 percent of the incidents that occur, we have an agent who can respond to that incident. That seems maybe—that is low in my view. I think it ought to be higher, up near 50 percent. Some people may think that is low.

But I think the important thing is, are we responding to the high priority incidents? Some of those may be things like a bullet hole in a sign or some of those kind of things that we may not be able to respond to, where others, there are people that are threatened and what-not, so we respond to those. So it kind of depends if we are doing a good job of prioritizing how we respond. That is the important thing.

I think there is a lot we can do in terms of working with other law enforcement agencies, trying to make sure we leverage the capacity on the national forests. But there is no question that the drug problem on our national forests, the growing of drugs on national forests, is an important issue. It is my understanding something like 50 percent of the marijuana that is grown comes off of public land, not just national forests. That is a huge amount.

There is a problem with methamphetamine labs on national forests. They are increasing significantly. It is also important to note that the Forest Service has seized more marijuana, at least to my understanding, than both Customs and the Border Patrol did along the Southwestern border. So we are focusing our efforts in some of the right places.

I do not know that I can really give you a specific answer at this point about how much specific dollars, but we do need to cost out the additional needs to be able to respond to the problems that we are having on the national forests and grasslands with drugs. We need to have, I think, a little bit better strategy on how we are going to—what we are going to get from the additional funding levels.

Senator BYRD. Well, Chief, thank you for your testimony and for that of your associates. You are off to a good start and I wish you well and I want to be as helpful, as I can.

Mr. BOSWORTH. Thank you very much.

Senator BYRD. Mr. Chairman, Senator Reid was unable to be here this morning. I request that his statement and questions be made part of the record, and I have some additional questions for the record likewise. Thank you.

Senator BURNS. Without objection, that will be made part of the record. Thank you very much, Senator Byrd.

[The statement follows:]

PREPARED STATEMENT OF SENATOR HARRY REID

Welcome Chief Bosworth, I am pleased to see you today and look forward to discussing the budget request made by the Administration for fiscal year 2002 for the Forest Service.

I am particularly interested in the Forest Service's role in the restoration and stewardship of Lake Tahoe.

Due to decades of damage caused by many different activities, Lake Tahoe is in grave danger of losing its famed clarity—forever.

In response to this danger, last year Congress passed the Lake Tahoe Restoration Act, which authorizes $300 million for a cooperative effort to "keep Tahoe blue."

The Lake Tahoe Restoration Act represents the accomplishment of many years of local level cooperation involving environmental, business, and governmental interests throughout the Lake Tahoe basin.

The money we authorized will be directed primarily to the Forest Service so that the Agency can partner with the Tahoe Regional Planning Agency and local communities as we work to save this national treasure.

Those of us who developed the Lake Tahoe Restoration Act and worked to pass it recognize that the only way to rescue this national treasure is through bold action.

This bold endeavor already enjoys strong support from the States of California and Nevada, as well as local governments and private stakeholders.

I am very interested in your vision for how the Department of Agriculture will implement the Lake Tahoe Restoration Act from both programmatic and budget perspectives.

I would also hope that you will join with me and Senator Ensign and the rest of the Congressional delegation at a Lake Tahoe Forum later this summer to develop a work plan so that we can achieve the goals of the Lake Tahoe Restoration Act.

I think you will probably agree with me that as the largest landowner in the basin, the Federal government must do its share to save and protect Lake Tahoe.

This Federal commitment will require great dedication on your part and by your Forest Service employees in the field.

SALVAGE TIMBER

Senator BURNS. We are coming up on the first year after those fires. Salvage is still a question. On State lands in Montana we are just about completed in our salvage, we have completed the salvage operations on what we could salvage and sent the lumber to our mills. However, we have got more mills that really need the wood off of Federal lands in the State of Montana.

The longer it goes untouched, the less value that salvage wood laying on the ground holds. Have you got plans to expedite or to look at ways we can speed up this salvage business?

Mr. BOSWORTH. Well, yes. First let me say that I know personally that the folks on the Kootenaiy National Forest, the Bitterroot National Forest, the Lolo National Forest, the Helena, the Custer, where they had the major fires last year, are working very hard to get salvage out. Again, they are looking at it from a landscape standpoint, trying to figure out what needs to be left and then what could be removed.

NEPA ANALYSIS

There are just some huge processes that they need to go through: as I said earlier, the NEPA process; the consultation process. It takes an awful lot of time. Frankly, the State of Montana does not have the same level of I analysis that they need to go through.

There are some things that I believe we can do to speed that up. We need to be looking at the NEPA process to see, and in fact we are looking at it from both a national as well as regional and forests levels that we can implement that would streamline some of those NEPA processes. There are some places where we have the opportunity to have an exemption from stay if we can demonstrate a good reason within the requirements. We need to look at what those requirements are and see whether or not those are still valid.

CONSULTATION ANALYSIS

There are some things that we are doing with the Fish and Wildlife Service to look at developing screens where the folks in the forest know that if they apply these screens then the consultation process will be sped up. There is also—I think there are some other things such as the way we organize at the forest and district level, to be able to get things done a little bit quicker.

I think we offered 40 million board-feet in 2000. 150 million could be offered in fiscal year 2001, and we think that we are going to be pretty close to 150 million. But again, your point, I agree with

your point, and that is that when it takes a year to do the salvage you have lost a lot of the value. Then you end up having to invest dollars in order to remove some of that material that needs to be removed from a fire fuel standpoint.

So if we can speed up our process, still involve the public, still do all the right things to make sure that we have environmentally sound decisions, I think we would all benefit from being able to do it quicker and do it in a way that gets the value when we are going to remove it, the full value.

Senator BURNS. Let us also talk about—and we are voting now and I think we can round this hearing up. There will be some written questions to you and if you can respond to the committee and to the individual Senator, do that.

WASHINGTON OFFICE

I just want to point up that, on your Washington initiatives, we have seen an explosion of personnel in Washington, D.C. I for one, I like to spend the money on the ground, out in the field, rather than here in this 17 square miles of logic-free environment, because it gets swirled around and it does not always produce what we think it should—it does not contribute a lot to our forests, or forest health.

Senator BYRD. How many square miles?

Senator BURNS. 17 square miles. That is about right. There might be more, I do not know.

Senator BYRD. Well, more square miles than that of logic-free environment.

Senator BURNS. Well, yes, but it tends to drop off as it moves out.

Senator BYRD. You see, the Constitution provides for more than 17.

Senator BURNS. Do you have any suggestions on how you are going to handle that and to sort of trim this explosion we have seen in Washington, D.C., and move some money into the field?

Mr. BOSWORTH. Well, there are a couple of things I want to say. First I would like to say that from my observation, folks that we have working in our Washington headquarters are intelligent, bright, hard-working people who are doing a job that they have been asked to do. The thing where I think we have made a mistake is that we have not looked at priorities very well.

You know, it is sometimes easy to add 2 or 3 people or 10 or 15 people here and not look at what tradeoff that has for some on the ground field work. Maybe we cannot keep the camp ground open, and we are going to have people here. There is work that cannot be done out there, and we need to do a better job of figuring out what the tradeoffs are if we are going to add or remove a person here at the national headquarters.

That is one thing that I think is important, because I want to make sure that people understand that I believe that the folks that are here working are working hard, doing good work. A lot of them came from the field. A lot of them did not, but they have lots of good ideas and lots of energy.

OFF THE TOP FUNDING

I think we need to be really strict about the funds that we are holding here that have strings attached to them. A lot of these dollars that are held in Washington get sent back out to the field, but they get sent back out with strings attached. I am more inclined to believe that we ought to get the dollars out with as much flexibility as we can possibly get and hold the regions and the forests accountable for meeting the performance that we had agreed too.

We are taking a hard look at all these off the top dollars I mentioned earlier to make sure on almost a project by project basis, to decide which ones are okay and which ones we are just going to have to forego.

So again, there are a lot of good things that are being done, but some of the good things that are being done in here we cannot afford to do. We have got to get the dollars to the ground.

SENATOR BURNS CONCLUDING REMARKS

Senator BURNS. Well, I will have some more questions and we will get them to you in writing. I just want to say here in Washington, D.C.—I just finished a little book that is a very easy read and it is very light, but I think it has some very, very interesting things in it. It was written by Mo Udall, "Too Funny To Be President." It went through his trials and tribulations of running for President. He said he ran into a guy down in Oklahoma that was sort of a Will Rogers type.

He said: You live in Washington, D.C, do you? And the guy, Mr. Udall, said: Yes, I do.

He said: You got some awful smart fellows there.

Yes, we have got some of the smartest people that there is in the world there.

He says: And you have got some that ain't so smart.

He said: Yes, we have got some of them, too.

He says: Pretty hard to tell the difference, is it not?

I think we have to sort through those things whenever we start initiatives and try to formulate policy. But again, we want to congratulate you for your appointment. We want to work with you. I think after you are here a year, you will have a better idea on what needs to be done and what can be done. I think next year's appearance before this committee will be a little bit different, and we look forward to that one also.

ADDITIONAL COMMITTEE QUESTIONS

So thank you for coming this morning. We have got a vote on right now. We have got about 7 minutes to make it. I call these hearings to a close, and we will send you some questions and then some other Senators have some questions. If you could respond, that would be great. We look forward to working with you.

Mr. BOSWORTH. Thank you, Mr. Chairman.

[The following questions were not asked at the hearing, but were submitted to the Agency for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

FIRE PROGRAM—BUDGET ISSUES

Question. The proposed budget request for fire does not continue much of the funding for rehabilitation and restoration work. In fact, it is reduced from $142 million to $3.6 million. What will be the impact of this reduction?

Answer. Rehabilitation and restoration of the burned areas will be completed with funding provided in fiscal year 2001 over a period of several years. There is no needs assessment that would indicate greater funding is required. There are opportunities for the Agency to work with other kinds of funds to achieve multiple benefits and complete some of the restoration work planned in the National Fire Plan.

Question. Will the Agency be able to fully restore all the areas that were burned under the proposed level of funding?

Answer. A total of 602 restoration and rehabilitation projects were identified from the fiscal year 2000 wildland fires. Fiscal year 2001 funds ($142 million) are being used to implement 437 of these projects. Funds have been used for vegetative management, heritage projects, recreation, etc. We will fund the priority projects. To the extent that any additional projects are considered valuable, we will fund these through other sources.

Question. If we have another serious fire year, will this amount of money be sufficient to address new areas that are burned and require restoration?

Answer. Yes and no. Funds will be available to complete the emergency rehabilitation of burned areas. Burned area restoration is viewed as an emergency (immediately after the fire). Restoration activities are more long-term (1 to 2 years). Funds for restoration included in the fiscal year 2001 appropriation to provide long-term treatments for the 2000 fires will not be available for long-term treatments needed for subsequent fires. The NFS appropriation would fund these treatments.

Question. The Committee is also concerned about the funding renovating and construction of fire facilities. The budget request reduced the additional money we provided last year by $23 million. Does the current state of Forest Service fire facilities place any of our firefighters at risk?

Answer. No, they do not. The FS will not place any employee in a facility considered unsafe. Original direction that went out in the development of the fiscal year 2001 facility list was to identify projects with deferred maintenance needs and/or to address health and safety requirements that have changed since original construction as a result of new legislation. None of these facilities are considered unsafe for use but many are currently substandard and inefficient for increased workload of the National Fire Plan. The proper condition of USDA Forest Service fire management facilities is critical to protecting lives, property, and natural resources. This fact has been identified in the National Fire Plan.

Question. Won't the increased number of firefighters require more facilities?

Answer. Yes, more facilities are required and the construction requests reflect the need and are in concert with the increased workforce being hired under the National Fire Plan. The greatest need is for crew housing, fire engine facilities, and helicopter facilities as well as for additional renovation of airtanker facilities.

Question. How many facilities do we need to renovate or construct?

Answer. Due to a long-term backlog of deferred maintenance coupled with an increased workforce, we estimate that over the long-term (10 years) approximately 1,500 facilities will need to be renovated or constructed.

Question. How long will it take to do this work at the levels proposed in the budget?

Answer. Current levels of funding to maintain facilities are inadequate to meet needs for scheduled annual maintenance. When maintenance is not performed on schedule it becomes deferred maintenance. Without addressing this, there will be additional annual maintenance which is deferred every year, which will in turn increase the deferred maintenance backlog. As a result of reduced resource levels, bringing facilities up to standard may never be completely realized. With the current level of funding we would not be able to meet deferred maintenance needs as well as new construction needs.

SUBURBAN-WILDLAND INTERFACE COMMUNITIES

Question. Last year's bill required the Forest Service and the Department of the Interior to report to the Congress on May 1, with an inventory of communities at risk that need fuels reduction treatments and any additional authorities needed to increase the number of fuels reduction projects in the urban wildland interface. Briefly, what are the findings of the report?

Answer. The list of communities has been completed and includes both communities in the "vicinity" of public lands and other communities in harm's way. The list is expected to be published in the Federal Register shortly.

The report is being finalized and will be provided to the Committee when completed.

Question. How many communities are at high risk and require fuels reduction projects?

Answer. There are a total of about 22,000 communities listed—9,000 in the "vicinity" of public lands and 13,000 other communities in harm's way. Most will require some level of land treatment or fire prevention efforts.

Question. How long will it take to do fuels treatments in areas at highest risk at current budget levels?

Answer. Currently, the exact delineation of fuels projects needed is being finalized and determination on fuel treatments needed will be made at that time.

Question. Does the Forest Service need any additional statutory authority to increase the number of fuels reductions projects in the urban wildland interface?

Answer. No. The Agency is currently reviewing whether additional legislation is needed.

STEWARDSHIP CONTRACTING

Question. In the fiscal year 2001 Interior bill Congress expanded the Forest Service's authority to enter into stewardship contracts. These contracts allow the Agency to exchange forest products for forest health work to be performed by private contractors. What role could these contracts have in reducing fuel loads, particularly around urban-wildland interface communities?

Answer. Many of the projects being implemented under the Forest Service's current stewardship pilot authorities, both Section 338 and Section 347, are being used to address fuels related issues and, in some instances, in wildland-urban interface areas. Two of the procedures being tested in connection with the pilots, the exchange of goods for services and the retention of receipts, effectively increase the total number of acres that can be treated within a project as compared to either by Forest Service crews or standard contracting methods.

Question. Should the authority to enter into stewardship contracts be expanded?

Answer. The Forest Service supports aspects of stewardship contracting authority, which may provide flexibility in accomplishing resource management activities to improve forest health and reduce fire risks while providing jobs and products for people. Adding additional projects under the pilot authority granted in Section 347 of Title III of Section 101(e) of Division A of Public Law 105–277 poses some complications. Section 347 requires all project contracts to be awarded before September 30, 2002. This does not leave sufficient time to initiate, design and complete NEPA for additional pilots. In addition, the benefit of conducting more projects to test the new authorities adds little to the information being derived from the current projects.

The Agency will continue to monitor, evaluate, and report on the implementation of the existing 56 pilot projects. The results of the monitoring will provide the basis for making adjustments to the new authorities or requesting additional authorities. The Pinchot Institute of Conservation is under contract to carry out monitoring and evaluation of the existing pilots in collaboration with a variety of interest groups.

LONG-TERM FIRE STRATEGY

Question. The fiscal year 2001 Interior bill required the Forest Service and the Department of the Interior to work with the governors on drafting a long term strategy for wildland fire management and hazardous fuels reduction. What is the current status of this strategy?

Answer. The long-term strategy entitled, "A Collaborative Approach for Reducing Wildfire Risks to Communities and Fire-Prone Ecosystems," is in the process of being finalized by the agencies involved.

Question. When will it be finalized?

Answer. The goal is to have the strategy approved by the summer of 2001.

Question. Has there been general agreement among the stakeholders on what needs to be done?

Answer. Yes. The following are the nine goals that have been discussed:

—Increase public and firefighter safety;

—Reduce the risk and consequence of catastrophic wildfire;

—Improve conditions of fire-prone ecosystems (e.g., through the reduction of hazardous fuels) to make them more resilient;

—Coordinate fire prevention messages to targeted audiences at the local, state and federal level;
—Promote local action by increasing public awareness and providing tools to enhance local responsibility;
—Maintain and enhance community health and economic well-being;
—Increase resource protection capabilities;
—Provide for the restoration and rehabilitation of fire-damaged lands; and,
—Enhance collaboration and coordination among all levels of government, tribes, private landowners, and other stakeholders for joint planning, decision-making, implementation, monitoring and learning.

SALVAGE

Question. There are a lot of dead trees on the landscape that could be salvaged and used to supply local mills, but if these trees are not removed soon they can degrade so much that they lose their commercial value. In Montana, the state has had very good success in conducting salvage sales on state lands but the Forest Service has not done much at all. What progress is the Forest Service making on conducting salvage sales in areas that were burned last summer?

Answer. To date, the Forest Service has offered nine timber sales in areas burned in 2000, with a total offer volume of 39.9 MMBF. In 2001, the Agency plans to offer a total of between 124 to 139.5 MMBF in 28 sales.

Question. Why is it taking so long for the Forest Service to conduct salvage sales?

Answer. There are certain minimum timeframes associated with the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), and the Forest Service's administrative appeal process (a process mandated by the Appeal Reform Act). These requirements are well defined and have been refined by court decisions. Salvage sales may be administratively appealed, and these same sales may be challenged in court if an appeal is not successful.

Environmental analysis to meet legal requirements of NEPA, ESA, the National Historic Preservation Act (NHPA), the Clean Water Act (CWA), and other laws can typically take three to six months to complete. In order to make informed decisions, field surveys must be completed, mitigation measures developed and analyzed, and public scoping of issues completed. All of these actions take time, but the result is a legally defensible and scientifically credible resource decision.

Additionally, environmental analyses often include consultation procedures with the Fish and Wildlife Service (F&WS) and the National Marine Fisheries Service (NMFS), and must be integrated to properly evaluate environmental effects. This process sometimes involves extended time periods because of limited resources of F&WS and NMFS. Further surveys needed for both plants and animals are often time sensitive and require a specific time of year to produce an adequate survey.

Question. What, if anything, can the Agency do to expedite this process?

Answer. The Forest Service has some limited opportunities to expedite this process. Streamlining and additional efficiencies are possible with the NEPA process that could facilitate improved performance, including allowing categorical exclusions for certain public safety, forest health, and vegetative treatments, more standardization in analysis documentation, and increasing contracting with outside sources.

Question. The Forest Service budget indicates that you will only offer an additional 150 million board feet above last year's salvage levels. Shouldn't there be a much larger increase given last year's fires?

Answer. The increase is consistent with our ability to offer salvage sales in fiscal year 2001. Some additional sales may be sold in fiscal year 2002, provided the wood has not been significantly affected by insects and rot.

Question. In the previous Administration the Forest Service did not request expedited NEPA procedures for the purpose of salvage logging in burned areas. Is this a decision that should be reconsidered?

Answer. The current Agency planning and environmental analysis procedures enable thorough and quality decision-making. When and where we need expedited procedures, the NEPA and Forest Service policy allow for such exceptions. We have used such procedures in the past and will use these procedures in the future where appropriate.

TIMBER PROGRAM

Question. This year's budget request for timber is $6 million more than last year but only proposes to offer 2.1 billion board feet. This is more than 1 billion board feet below what the Agency said it could offer in its budget request from last year. A comparison of your budget submission from last year to this year's request shows

that your unit cost per thousand board feet has gone from $120 per thousand to $180 per thousand.

Answer. No answer required.

Question. What explains this large increase?

Answer. Appeals and litigation on timber sales have consistently delayed our ability to achieve our planned offer of timber sales. In many cases, litigation has resulted in further delay as sales are reworked to incorporate new standards and direction. In some cases timber sales have had to be withdrawn or reworked such that the planned timber sale volume cannot be accomplished. All of this work has contributed to additional costs with no increase in offer volume.

Question. Does this explain why the Agency has been missing the congressionally directed timber offer level of 3.6 billion board feet by almost one-half for the past few years?

Answer. Yes, in part the reasons contributing to increased costs provide some explanation. Higher priority work, such as responding to last summer's wildfires and implementing the National Fire Plan, use the same field personnel as those involved in the timber program, and the Agency does not have the flexibility to complete all of this work. Finally, the Agency no longer can effectively maintain a timber sale pipeline to be used to replace those sales that are delayed.

Question. What specific things can the Agency do to improve performance in the timber program?

Answer. The Agency needs to provide a more realistic estimate of costs and capability to offer sales. The program estimate should allow for commonplace rework required due to appeals and litigation and sufficient field personnel to rebuild essential skills that have been lost. Streamlining and additional efficiencies are possible with the NEPA process that could facilitate improved performance, including allowing categorical exclusions for certain public safety, forest health, and vegetative treatments, more standardization in analysis documentation, and increasing contracting with outside sources.

Question. Will the Agency have any more success in meeting the lower proposed offer level, or will the Agency miss this target by 50 percent as it has in the last few years?

Answer. The timber sale offer volumes planned in each of the past four years could only have been accomplished had there been no serious problems experienced during those years. However, appeals and litigation on timber sales have consistently delayed our ability to achieve our planned offer of timber sales. All of these difficulties will continue to contribute to shortfalls in achieving the planned timber sale offer volume. However, for fiscal year 2002, we have attempted to determine and provide more realistic timber offer numbers that reflect the uncertainties the timber sales program continues to face.

EFFECTS OF FIRE ON OTHER PROGRAMS

Question. I know that many are concerned that in a bad fire year personnel are diverted from their primary activity to work on fires. What was the impact of last year's major fire season on the accomplishments of the timber sales program and other Agency programs? Should this be less of an issue for the timber program as well as other programs since we have given the Agency additional funds for fire personnel?

Answer. The Agency has not collected specific information about the impacts to the timber sales and other programs resulting from the shift in personnel to respond to last year's fires. However, last year's fire emergency did affect the accomplishment of other work. With specific regard to effects on the timber sales program, Regions 1 and 4 both indicated that responding to the wildfires and/or burned area recovery work following the fires did reduce the amount of timber sales planning and preparation work that was planned last year, and was also a reason for the Regions' timber sales offer shortfall.

The additional funding to implement the "most efficient level" fire preparedness organization will help reduce the effects of fire response on other programs of work during a normal fire season. However, it will take some time to accomplish that staffing level and also achieve the level of training required so that these new hires can replace seasoned personnel from other functions who currently perform these duties in response to fire outbreaks. In the case of a severe fire season, such as last year, impacts will be significant given it will require the commitment of all of our fire resources, both new and old.

Question. Has the Agency identified the number of positions it needs to fill to complete work that supports firefighting, as well as rehabilitation and restoration efforts, such as biologists, NEPA coordinators, and the like?

Answer. The Agency has tentatively identified approximately 4,000 positions needed to complete work identified in the National Fire Plan, including firefighting, rehabilitation and restoration work, technology development, fire facilities reconstruction and construction, assistance to States, and community protection and assistance.

Question. How will the Agency ensure that it does not significantly hamper accomplishment by pulling personnel from performing their core functions to perform National Fire Plan-related work?

Answer. At the requested fiscal year 2002 Wildland Fire Management funding level, the Forest Service will be able to continue to ensure its workforce is the appropriate size, and contains the appropriate skills mix to effectively reduce hazardous fuel, undertake rehabilitation and restoration work, provide community assistance, and handle needed firefighting capability. Requested funding levels in other program areas are adequate to complete planned on-the-ground resource objectives.

CATEGORICAL EXCLUSION

Question. One tool that the Agency has had in the past was the Categorical Exclusion from NEPA for small timber sales. This allowed the Forest Service to expedite the NEPA process for small sales. In the fall of 1999, a judge in Illinois prohibited the Forest Service to continue using the Exclusion. The last Administration promised to fix the problem by initiating a new rule-making but this never happened. Does this Administration plan to do a rule-making so that this Categorical Exclusion can be used again?

Answer. The Forest Service is collecting information on the scope and environmental effects associated with small timber sales, fuel reductions, and forest health. After this information is compiled, the Agency will determine if a need exists for a categorical exclusion for small timber sales. If a Categorical Exclusion is needed, the Agency will begin a public process to amend our NEPA procedures. The Agency currently has other categorical exclusions that are used for thinning, hazard tree removal and other forest vegetation improvements.

Question. How long will it take to go through the rule-making process?

Answer. A rule-making process takes about 18 months. The process of amending our NEPA procedures could take as long as a year. We are still evaluating the processes that re needed.

FIRE—TRAINING AND HIRING OF LOCALS

Question. SPF SASI–32. Last summer in Montana, a lot of local people wanted to help on the fires but they didn't have the required training and certification. Many of these people also had equipment but it was not certified by the federal agencies for use on fires. Has the Agency done anything to address the issue of training people in local communities to work on fires?

Answer. Workforce training programs instituted in fiscal year 2001 will enable local residents to develop more competitive skills specific to the projected work and government contracting processes.

Question. Are funds appropriated for the National Fire Plan being used to address the problem?

Answer. Yes, for example on the Bitterroot National Forest the Agency plans to expend about $6,000 in fiscal year 2001 to provide local training opportunities.

Question. Can the Committee be assured that similar problems will not occur this fire season?

Answer. In an effort to prevent similar problems from occurring this fire season, the Forest Service has implemented partnerships to facilitate local workforce hiring. Partners include U.S. Department of Labor, State Job Services, AFL–CIO, Local Resource Conservation and Development Organizations, and other sister agencies such as the Bureau of Land Management.

WASHINGTON OFFICE INITIATIVES

Question. Agency personnel and the public are frustrated with the lack of money that makes it to the field for on-the-ground work. In recent years, it seems that the Washington Office headquarters has grown and takes more and more money "off the top" for overhead or dubious "national initiatives." What is your opinion about what appears to be excessive "off the top" charges?

Answer. In fiscal year 2000, as a result of mid-year review, Washington Office (WO) funding—off the top—was reduced to $350 million. This amount includes funding not only for the WO, but includes resources to support for detached units such as the National Interagency Fire Center (NIFC) and funding for nationwide

costs paid centrally which support such things as costs for the National Finance Center, financial management systems, telecommunications. In addition this amount includes resources for priority projects where funding is shown as "off the top" but goes out to the field as a specific earmark. The Agency is committed to sustaining this reduced level, absorbing all uncontrollable costs in fiscal year 2001 and aggressively moving towards reducing this level in fiscal year 2002. In order to establish the level of funding for the WO for fiscal year 2002 and reduce the number of off-the-top projects, we are in the process of evaluating projects by a team of WO and field personnel. We expect this process to be completed and finalized by mid-June.

Question. What can the Agency do to become more efficient and get more money to the field for projects?

Answer. The Agency has begun an intensive review of "off the top" funding with the objective of maximizing funds to the ground. We are currently in the final stages of this review. While every effort is being made to keep the headquarters office lean, it is also clear that new ways of doing business must be found for many "off the top" activities which support field operations. Some examples include possible changes in how detached units are funded and managed, how nationally significant field based projects can be accomplished without the holding of funds in headquarters, and how transfers are managed for departmental assessments.

Question. Do we need fewer people in the Washington Office and more people at the Regional or Forest level?

Answer. Employees in the Washington office perform a valuable function for the Agency. Critical jobs that support Agency accountability, communication, and program leadership reside in the Washington Office. It is not sufficient to simply say the Washington Office has too many people. A thorough review of how headquarters operations are funded is necessary. Additional reviews of the efficient placement of people performing work in support of the field, and the processes and systems associated with headquarters support must be examined. We expect these evaluations will be an integral part of Agency and departmental streamlining initiatives.

CONTROVERSIAL RULEMAKINGS

Question. In the final days of the last Administration, a number of controversial rulemakings like the Roadless rule were promulgated. Some of these are being litigated and the Agency may be limited in what it can say about them. Which of the major rulemakings of the Clinton Administration are being reviewed by the current Administration?

Answer. The Department of Agriculture is reviewing two major Rules concerning the management of National Forest System lands that were promulgated during the final days of the Clinton Administration: the Roadless Area Conservation Rule and the National Forest Management Act (NFMA) Planning Rule.

Question. What is the timeframe for decisions to be made about whether to modify or maintain these rules in their current form?

Answer. Roadless Rule: On May 4, 2001, Agriculture Secretary Ann M. Veneman announced that the Forest Service would implement the Roadless Area Conservation Rule, effective May 12, 2001. The U.S. District Court for the District of Idaho on May 10, 2001, preliminarily enjoined the Department from implementing the Rule. However, the decision does not preclude the Department from taking steps to address the concerns raised about the Rule by interested parties, local communities, tribes, and states impacted by the Rule.

Planning Rule: Many Forest Service employees, retirees, elected officials, and representatives of external organizations interested in National Forest System management have expressed serious concerns to the Administration regarding the Agency's ability to implement some of the provisions of the November 9, 2000, planning rule. A modification extending for one year the date by which all plan amendments and revisions must comply with the new planning rule was prepared and published in the Federal Register on May 17, 2001. The Department has made the decision to review certain provisions of the planning rule carefully and identify and propose any adjustments that may be necessary in a future rulemaking effort.

Question. What, if any, budgetary impacts might there be if these rulemakings require modification?

Answer. The costs associated with modifying the Planning Rule will be covered by the Agency out of funds appropriated by the Congress in fiscal year 2001 for land management planning purposes. Funds set aside for implementing the new Planning Rule will now be used to modify and implement it. No reductions in field allocations will be made as a result of this decision.

FINANCIAL ACCOUNTABILITY

Question. The latest report from the GAO continues to list the Forest Service as an Agency at high risk for waste, fraud, and abuse. When will the Forest Service be able to obtain a clean audit opinion so that it can be removed from this list?

Answer. The GAO added the Forest Service to the high risk list in its January 1999 report, identifying "pervasive and long-standing" weaknesses in the financial accountability area. The Forest Service replied to the GAO, outlining its corrective action plans for this area. When GAO issued the January 2001 high risk list, the same issues were not addressed, but were replaced by two new areas: need to improve its organizational alignment and control by linking its budget and organizational structures as well as its budget allocation criteria, forest plans, and performance measures to its strategic goals, objectives, and strategies; and lacking financial accountability within its existing field structure.

The Forest Service has prepared and is implementing corrective action plans for each of these areas. The Forest Service anticipates obtaining an unqualified audit opinion on a significant portion of fiscal year 2001 financial statements, i.e., the Agency's balance sheet. The Forest Service anticipates obtaining an unqualified audit opinion on all of the Agency's fiscal year 2003 financial statements. GAO requires the receipt of unqualified audit opinions for two consecutive years before removing an Agency from the high risk list. Therefore, the Forest Service anticipates to be removed from the high risk list two years after receipt of an unqualified audit opinion.

Question. What are the key problems that the Agency faces in getting a clean audit?

Answer. Based on the U.S. Department of Agriculture Office of Inspector General (OIG) Audit Report of Forest Service fiscal year 2000 Financial Statements, the following key problems have been identified as hindering the Agency from obtaining an unqualified audit opinion in fiscal year 2000:

—The Forest Service converted from the legacy Central Accounting System to the new Foundation Financial Information System (FFIS) during fiscal year 2000. Due to the complexity of FFIS, Forest Service and OIG unfamiliarity with extracting data from FFIS, and difficulties in extracting data listing all Unpaid Obligations, Accounts Receivable, and Accounts Payable as of yearend and data for Revenues and Expenses, there was a substantial delay in OIG statistical sampling and field-testing until mid-January, 2001. OIG audit fieldwork was further hindered because the Forest Service was unable to trace many of the sample transactions related to automated processes for indirect cost distribution and automated processes used to compensate for problems in interfacing other accounting systems with FFIS.

—The OIG was unable to determine the accuracy of total fund balances with the U.S. Treasury in the Forest Service balance sheet as of September 30, 2000. However, the Forest Service has made a significant improvement in this area. Last year, fiscal year 1999, the OIG reported that the fund out-of-balance condition between Treasury records and the Forest Service general ledger totaled about $674 million. For the fiscal year ended September 30, 2000, the absolute value of the out-of-balance amount totaled about $180 million. The Forest Service is continuing its reconciliation efforts in cooperation with USDA and the OIG.

—The OIG was unable to determine the reliability of individual real property assets that comprised $1.8 billion, i.e. 38 percent, of the Agency's book value of General Property, Plant, and Equipment. However, during fiscal year 2000, the Forest Service successfully implemented a road costing methodology that provided an auditable value of $2.57 billion for the Agency's 381,000 miles of roads. The Forest Service is aggressively continuing corrective actions through fiscal year 2001 to provide auditable values for real property.

—The OIG was unable to determine the reliability of the Statement of Budgetary Resources because significant adjustments were made to the FFIS general ledger trial balances for various Treasury symbols to equal amounts shown in treasury records. The Statement of Budgetary Resources was incorporated into the Federal financial statements in 1998 and was created as an aid in controlling the use of budget authority, consistent with requirement of fiscal laws such as the Anti-deficiency Act. Because the Statement of Financing is used to reconcile the differences from accrual-based measures in the Statement of Net Cost with the obligation-based measures used in the Statement of Budgetary Resources, the scope limitations relating to the Statements of Net Cost and Budgetary Resources also affected the Statement of Financing.

Due to the extent of the limitations noted above, the OIG was not able to express an opinion on the financial statements.

Question. This has been a problem for years. Why is it taking so long to fix it?

Answer. Until fiscal year 2000, the Forest Service did not have an integrated accounting system. While the Forest Service is still using some antiquated subsidiary ("feeder") systems, the Agency's Federal Financial Managers Integrity Act (FFMIA) remedial action plan includes corrective actions to enhance the performance of some of these systems and to integrate other activities into FFIS. Major efforts have been focused on improving system availability, data credibility and system reports, eliminating "feeder" systems, aligning financial management processes, and linking financial and program data.

FIRE DEFICIENCY

Question. The Forest Service fiscal system had a major backlog at the end of the fiscal year which resulted in a large number of fire-related transactions being posted on the last day of the fiscal year, and before additional funds could be advanced to cover these expenses. This resulted in the Forest Service being in technical violation of the Anti Deficiency Act. What exactly occurred?

Answer. The Washington Office staff closely monitored obligations the closing weeks of the fiscal year. At the end of the day on Friday, September 29th, it appeared that the approved apportionment of an additional $76 million from KV would provide sufficient resources to close the books for the fiscal year in a state of solvency. The Wildland Fire Management appropriation had $1.3 billion available for Wildland Fire Management activities. At the end of September, with fire suppression obligations around $800 million and total obligations of just over $1.2 billion, it appeared that sufficient funds were available.

However, additional transactions input on the evening of September 29th, weekend processing of payroll and upload from feeder systems, as well as missed obligations reported as part of the year end close process revealed that total obligations for fire suppression activities topped $1 billion, and total appropriation spending was close to $1.5 billion.

Over $200 million was obligated the last day of the year, which prompted an in-depth review. In addition to only 50 percent system availability the month of September, and a slow system due to a severe overload of activity from the worst ever fire season, this review revealed:

—Obligations for payments to states should have been entered earlier.
—Timely estimates were not received from state firefighting organizations.
—Many of the large contracts for catering and aircraft were not obligated until the last few days of the year.
—Many obligations had to be entered the first few days of the new year against the prior year because the system was not operating smoothly.

Question. What steps are being taken to prevent this from happening again?

Answer. As a first step, the Forest Service conducted an in-depth review which identified a number of improvements to prevent a future anti-deficiency. In working with the USDA Project Office, the Forest Service has taken many steps to reduce the time needed to run the nightly cycle, which has resulted in a stable system and full availability during the day.

A team was formed to look at both improved methods of payment and more timely obligations. Direction will be issued to the field units in early June with alternative payment methods to be implemented when overloads occur at any location. This will overcome many of the delays that took place last year. Additional detailed direction will be issued regarding obligations, ensuring that all obligations will be entered into FFIS on a more current basis. The Washington Office will have a better understanding of obligations being incurred throughout the year, and increased emphasis placed on compliance with due dates the last month of the fiscal year. Special emphasis is being placed on the big ticket items, such as contracts and the agreements with the states.

Question. Why is the Forest Service still having such a difficult time getting its fiscal and accounting systems in order?

Answer. The implementation of FFIS has been a challenge for the Forest Service. However, the vast majority of problems recently being experienced are related to the old feeder systems still in use. These feeder systems were built 20 or more years ago to facilitate the processing of payments and intra-governmental transactions. Many of these old technologies still require intensive manual input and the interfaces to submit the transactions from these feeder systems to FFIS are complex. The manual input is prone to human error. These interfaces need to connect the old technologies to the more modern technology of FFIS. Often the old technologies were

designed to work in ways that are not compatible with FFIS processing and, likewise, FFIS works in ways not compatible with the feeder system processing. Minor, seemingly inconsequential, mistakes can lead to significant problems in payment and billing processing. Edits needed to successfully process transactions in FFIS are too complex to be incorporated in the feeder systems or the interfaces with the feeder systems. This means transactions can still fail to be recorded in FFIS even though they are successfully recorded in the feeder system, thus delaying payment until the problem in FFIS is corrected.

The feeder system processes are often transparent to the user. Users often consider FFIS as the problem when, in fact, a feeder system has created the problem. It's also common for any payment-related problems to be characterized as "FFIS problems" because payments are closely associated with the accounting system. The new financial environment of tighter controls and more stringent standards coincided with the implementation of FFIS. The resultant policies from this stricter environment were not always readily acceptable by all users or otherwise created more work for them. Displeasure from this stricter environment was often blamed on FFIS since FFIS is the new accounting system.

The complexity of FFIS has also created training issues. Some processes are, unfortunately, necessarily complex and any error in the process of establishing or recording a transaction will cause the transaction to fail. Often these processes are performed only on an occasional basis, so user familiarity with the process is diminished making errors more likely to occur.

The Forest Service has initiated a new training program to explicitly address the training issues. New training courses are being developed with a focus not just on how FFIS works, but also on how to specifically perform Forest Service business processes using FFIS.

The USDA Associate Chief Financial Officer (ACFO) for Financial Systems is working cooperatively with the Forest Service to resolve the feeder system issues. Processes and solutions to existing problems have been and continue to be pursued. A Memorandum of Understanding (MOU) was established to allow the Forest Service, the National Finance Center (NFC), and the ACFO to work cooperatively and provide a formal tool to address issues and operations. Summit Teams with members from the Forest Service, the NFC, and ACFO office were created in October 2000 to specifically address and resolve the significant issues. Many of the issues addressed by the Summit Teams have been resolved and the teams continue to work on remaining issues. An issue tracking system was established to record issues and monitor progress on the resolution of issues. The ACFO conducted a formal study to specifically address the feeder systems with recommendations on replacement, integration, or enhancement of them.

The Forest Service created a special team tasked to resolve data quality issues that resulted from the problems experienced from feeder systems and implementation. This team is called the Financial Accountability and Stabilization Team (FAST). FAST has already resolved most of the original issues it was chartered to fix and it continues to evolve to address additional issues as they arise.

The Forest Service conducted a Post Implementation Assessment (PIA) of the FFIS implementation. The PIA identified both the strengths and weaknesses of the implementation effort. The PIA provided the Forest Service with a roadmap to improve upon the FFIS implementation to help assure success with continued FFIS operations.

While problems and issues are still present, significant progress has been made towards resolving them. To fully resolve all the problems with the feeder systems will take several years as resolution may require the complete replacement of most feeders. However, short-term solutions to problems will continue to be sought and implemented.

TIMBER QUESTIONS

Question. The Chief has stated recently that one factor limiting the Forest Service's capability to offer timber is attrition of employees with special skills in timber sales preparation and administration. What steps is the Agency taking to address its need for employees with special skills in timber sale preparation and administration?

Answer. The Agency is making a concerted effort to identify key skill deficiencies and fill vacant positions, as needed.

Question. The Chief has also commented that the timber pipeline has been virturally eliminated. Would additional funds for the Forest Service timber program to add pipeline volume help address this problem, or is this the amount requested the total amount the Agency could expend in fiscal year 2002?

Answer. Additional funding could be dedicated to preparing pipeline volume in advance that could hopefully be offered two to four years later, however only if the current issues surrounding the timber sale program can be resolved would we be successful in increasing the timber sale program. This is because the nature of the issues is such that they not only affect the sales offered and under contract, but also the sales in the pipeline. We cannot guarantee that additional sale pipeline work could be offered as planned if future issues about the timber sale program continue to be raised.

Question. What specific actions could Congress take that would help the Agency increase timber pipeline?

Answer. The Administration is evaluating its administrative authorities, which is an appropriate first step to take.

Question. What administrative actions can the Agency take that help increase timber pipeline?

Answer. We can allocate sufficient resources within our budget request to increasing the timber sale pipeline by maintaining a cadre of dedicated field personnel. However, as we stated in answer above, unless the nature of the issues surrounding the timber sale program change, these issues are likely to affect the timber pipeline as well, resulting in no appreciable increase in timber sale offer in future years.

Question. Currently, there is litigation in the South, the Pacific Northwest, and Alaska that has caused enormous problems for the timber program in those areas? What is the status of litigation in these areas?

Answer. It is correct that litigation has caused an enormous impact on the programs of almost every Region. This impact has resulted in longer timelines and increased cost to the program, in addition to the delays or cancellation of proposed sales. None of the cases noted above are on a timeframe to suggest an early resolution partly because there has been a history of appeals after decisions have been made. Generally, it will take 2–3 years to resolve a case. Afterwards, most of the projects involved need to go through an evaluation of new information and changed circumstances that can lead to reinitiation of the NEPA process. This can add considerable time to get a project under contract.

Question. What amount of volume is currently being held up because of litigation in these areas?

Answer. The best estimate we can provide at this time is that 40–50 percent of these regions' programs is being held up by the present litigation. We do not have a specific figure because we do not track litigation delays separately.

Question. When does the Agency expect that the most significant lawsuits in these areas can be resolved?

Answer. There is no way to definitively say when these lawsuits will be resolved. Although there are ongoing settlement discussions in the South, we have found that additional lawsuits by other parties continue the delay. And, as noted, there are often additional appeals to the decision and/or motions to amend complaints that make this an impossible process to predict.

Question. The Committee is concerned about reports that the Salvage sale fund is seriously depleted due to rising preparation costs and litigation. What is the current amount in the Fund?

Answer. At the start of fiscal year 2001, the regions reported total funds available of over $129 million.

Question. Is this sufficient to conduct all proposed salvage sales for fiscal year 2002?

Answer. As a permanent appropriated fund, our policy requires that each unit manage its respective Salvage Sale Fund (SSF) and plan its salvage sale program to ensure SSF is available to meet the timely salvage of insect-infested, dead, damaged, or downed timber, and associated trees for stand improvement. National direction expects each unit to maintain its salvage sale fund at one and one-half times its three-year average salvage sale program needs. The $129 million available to start the fiscal year 2001 program is at least $45 million less than this level. Since the preparation and submission of the President's fiscal year 2002 Budget, it has become apparent that the balance within some regions' salvage sale accounts will not be sufficient to conduct all proposed salvage sales in fiscal year 2002, without deleting reserves. This is due to low values for the salvage being sold, and therefore low collections into the salvage sale fund. Additionally, large-scale, catastrophic events similar to those that occurred last year could quickly exhaust the available SSF.

Question. If not, how much additional funding is needed?

Answer. The Regions have the opportunity to use appropriated funds to carry out their salvage sale program if they do not have adequate funds in their salvage sale account. The use of appropriated funds in this manner may affect the total amount

of timber offered by the Agency because appropriated funds are limited. We continue to work with the field units to ensure that they are maximizing the opportunity for placing collections into the salvage sale fund.

PLANNING

Question. The Agency anticipates that 18 forest plans will be completed, 9 forest plan revisions will be initiated, and 16 forest plan revisions will continue during fiscal year 2002. Is it possible to take these actions on forest plans given the Acting Deputy Under Secretary's report to the Forest Service concerning problems with the recently issued planning rules? How will the Agency's review of the planning rule affect the budget request for fiscal year 2002 Land Management Planning funds?

Answer. Work on all on-going Forest Plan revision efforts, including those initiated this year, will continue even though the 2000 Planning Rule will be reviewed and possibly adjusted. The Agency prepared and published a modification extending the transition language in the 2000 Planning Rule that allows these revision efforts to be completed either under the 1982 Rule or the 2000 Rule. The Agency expects most of these efforts will continue and be completed under the 1982 Rule.

Question. How will the Agency's review of the planning rule affect the fiscal year 2002 budget request for Inventory and Monitoring funds?

Answer. The Agency's review of the of the 2000 Planning Rule will not affect the fiscal year 2002 budget request for Inventory and Monitoring funds. The workload and accomplishment during the year may shift somewhat to reflect a greater emphasis on conducting inventories, watershed assessments and monitoring instead of the up-front broadscale assessment work required under the new Rule.

Question. How would the Agency's unit costs for planning and inventory and monitoring be affected if the new planning rules were fully implemented in the planning process for fiscal year 2001 and fiscal year 2002?

Answer. The 2000 Planning Rule has some new and different requirements regarding collaboration, the integration of science into planning, and conducting assessments and analyses related to sustainability and species viability. A Forest Service review team recently concluded that problems identified as a result of these changed requirements raise questions as to the Agency's ability to implement the final Rule. Implementing these requirements could increase the unit cost for conducting a Plan revision. However, the new Rule also provides more flexibility for Agency line officers in determining how many of these and other requirements are implemented in any given revision effort. As a result, the cost of conducting a Forest Plan revision could vary significantly and may be less than under the 1982 rule. The Agency is currently reviewing the new Rule to determine if any adjustments are needed and will also be developing guidance for implementing the Rule. Until this implementation guidance is developed, the effect of the new Rule on the cost of conducting Plan revisions will not be possible to estimate; however, it is our intent to reduce costs wherever possible.

Question. What, if anything, is the Agency doing to reduce unit costs for forest planning activities?

Answer. The Agency is trying to ensure that Plan revisions are conducted in the most efficient and effective manner possible. Unit costs are being reduced by combining specific revision activities within and among Forests. In some cases, Administrative Units with multiple Plans are conducting simultaneous revision efforts or combining the revision of two Plans into a single Plan. Similarly, the Agency is scheduling joint revision efforts on adjacent Forests with similar issues and land conditions to increase efficiency and be more responsive to local publics. The Agency is also trying to ensure that Forest Supervisors have as much flexibility as possible in determining the scope of individual revision efforts and don't have to conduct unnecessary analyses or go through other irrelevant planning steps.

SURVEY/MANAGE

Question. Due to a provision in the Northwest Forest Plan that the Agency did not comply with related to the counting of individual members of various species like fungi and mollusks, a majority of the timber sales under the plan were enjoined or held up administratively for fear that they would violate the Court's injunction. What is the current status of the Agency's efforts to address this problem?

Answer. A Northwest Forest Plan amendment, known as the Survey & Manage Record of Decision and Standards and Guidelines (ROD), was signed by the Secretaries of the Interior and Agriculture in January 2001. With implementation of this ROD in February 2001, the problem described above was fully addressed and resolved. As a result of this ROD, timber sales are no longer enjoined, as the injunction, as well as a consequent court settlement, has ended.

In this ROD, species (such as some fungi and mollusks) that were too difficult and inappropriate (i.e., not practical) to survey prior to projects such as timber sales, require broader and more suitable survey efforts called strategic surveys. Thus, only those species that can be adequately located and identified in a reasonable timeframe (i.e. practical, pre-disturbance surveys) are surveyed prior to timber sale plan completion. Throughout Washington, Oregon and California, 67 species are currently considered practical to survey prior to timber sale plan completion.

Additionally, in this ROD, some species were removed from the Survey & Manage lists.

Question. What level of timber will the Agency offer in fiscal year 2001 and fiscal year 2002 in areas covered by the Northwest Forest Plan?

Answer. The Agency can offer up to 421,000 CCF (Hundred Cubic Feet) equivalent to about 211,000 MBF (Thousand Board Feet) in fiscal year 2001, and 310,000 CCF (about 158 MBF) in fiscal year 2002. If the current lawsuits affecting the Northwest Forest Plan Forests can be resolved before year-end, substantially more volume could be offered. These numbers include regular program, salvage, and anticipated fiscal year 2000 carryover sales.

Question. How much is it going to cost for the Agency to comply with the onerous survey requirements of the Northwest Forest Plan in fiscal year 2001 and in fiscal year 2002?

Answer. To meet survey requirements of the Northwest Forest Plan, the funds received and distributed to Regions 5 & 6 for the fiscal year 2001 Survey & Manage species surveys within planned timber sale areas was $10 million ($3 million to R5 and $7 million to R6). These surveys are called pre-disturbance surveys. These timber sale survey funds were divided into several parts: pre-disturbance surveys (required before sales can be awarded) and re-work on awarded, enjoined sales; predisturbance surveys and rework for replacement volume sales; pre- disturbance surveys of timber sales not awarded, but delayed; and surveys of new timber sales.

To meet survey requirements of the Northwest Forest Plan in fiscal year 2002, we project up to a 20 percent reduction from the fiscal year 2001 funding level to implement pre-disturbance surveys on timber sales. Besides meeting fiscal year 2002 timber sale work, the Agency would conduct initial surveys for future timber sales.

Another type of survey effort, called a strategic survey, is used for all species, and especially for species that are not practical to survey for. In fiscal year 2001, $10 million was received and distributed in Regions 5 and 6 for strategic surveys. Several activities are funded in the strategic survey efforts including: information/data management; management recommendations that provide guidelines for species site management; strategic surveys (e.g., habitat modeling, random plot surveys, known site re-visits); and survey protocol development. For fiscal year 2002, $9.5 million is needed to meet strategic survey needs of the Northwest Forest Plan.

Question. What line items will be assessed to pay for these costs?

Answer. Pre-disturbance surveys within planned timber sale areas are funded by the Forest Products budget line item. Strategic surveys were funded out of the Inventory and Monitoring budget line item in fiscal year 2001.

INTERIOR COLUMBIA BASIN ECOSYTEM MANAGEMENT PROJECT (ICBEMP)

Question. After years of work, a final Record of Decision has not been issued with respect to the Interior Columbia Basin Ecosystem Management Project. When does the Forest Service and BLM anticipate issuing a final ROD? What obstacles remain before this ROD can be finalized?

Answer. A Final Environmental Impact Statement (EIS) and Proposed Record of Decision (ROD) were released on December 15, 2000. Forest Service and Bureau of Land Management (BLM) Regional Executives asked their staffs to develop options to address how to proceed with ICBEMP. An initial set of options was identified. Additional staff work is being done on a subset of these options that will include the identification of any major implementation obstacles. The Regional Executives will forward one or two recommended options on how to proceed to the Chief and Acting BLM Director, most likely in July 2001. These recommendations will then be discussed with the Secretaries of Agriculture and Interior. If the decision is made to finalize a ROD, the Agency will develop an implementation plan that will address any identified obstacles.

Question. What options are agencies considering for implementation? (All the ones stated in the EIS, or potentially other ones that would require additional NEPA documentation.)

Answer. As the agencies implement the ICBEMP (with or without a ROD), they currently plan to do so in general conformance with one of, or a combination of, the options identified in the EIS.

RESEARCH

Question. The Agricultural Research, Extension, and Education Reform Act of 1998 mandated major enhancements in the FIA program. One of these was that the Forest Service needed to move to an annualized inventory of forest lands in all states. The FIA program provides the only continuous inventory that quantifies the status of forest ecosystems, including timber and non-timber information across all landownerships in the United States. This information is very important to industry and state foresters, among others. What is the cost to perform inventories on an annualized basis?

Answer. We estimate that it will cost $6.5 million in 2003, the anticipated first year of full implementation, to deliver a basic level of FIA service to all customers.

Question. Given the importance of the program, why hasn't research increased funding for it for fiscal year 2002?

Answer. The President's Budget is prioritized and balanced to focus resources on the programs and outcomes that are most vital to achieving the objectives and goals of the Agency. The fiscal year 2002 funding level for FIA reflects the Agency's capability to complete priority work activities within the framework of the total Research budget.

Question. Last year, the Forest Service has entered into an Memorandum Of Understanding (MOU) with the National Association of State Foresters which states that if Congress does not provide certain levels of funding for this program as set out in the MOU, the Agency will redirect other program funds to make up the difference. What amount of funding is stated in the MOU for fiscal year 2002?

Answer. $56,700,000 was the funding level specified in the MOU.

Question. From what other sources does the Agency plan to redirect funds if sufficient money is not appropriated to meet the levels in the MOU?

Answer. The Agency is currently reviewing the applicability of the non-binding MOU and alternatives to achieving the level of funding suggested.

Question. Will the Agency submit this "redirection" for a reprogramming?

Answer. The Forest Service will comply with the applicable laws and guidelines regarding reprogramming.

Question. If money is redirected within research, from what program areas would it come?

Answer. If the redirection involves reprogramming of appropriated funds across appropriation "mainheads", then the Agency will submit this request. However, all three Forest Service resource Deputy Areas—Research, State and Private Forestry, and National Forest Systems—have existing Congressional authorizations to spend appropriated funds on forest inventory and monitoring as a normal part of their work.

Question. Currently funds are appropriated for FIA in the Research, State and Private Forestry, and National Forest System appropriations. What, if any difficulties, does this cause in administering the program?

Answer. Dispersion of funding results in two challenges. Because FIA is jointly administered by six Regional Research units, there is a need to negotiate and transfer the four different sources of funding to their management destinations in the FIA units in Research stations. Secondly, cost-sharing of S&PF funds in future years will be a challenge. Western states may be less-willing to cost-share an inventory program that takes place primarily on federal lands and does not qualify for cost-share matches.

Question. What has been the position of program stakeholders like the state foresters and industry with respect to the current funding mix?

Answer. Most program stakeholders are not aware of or exposed to the challenges caused by the funding mix; as long as the program is delivered, they are satisfied. The National Association of State Foresters (NASF) is aware of the issue due to its unique role as program partner as well as customer.

Question. For example, would it be more useful to have more money in S&PF versus Research or vice versa?

Answer. There are some difficulties that arise, however the Forest Service is reviewing methods for better coordination among the staffs and possible consolidation of resources in one line item.

Question. The Forest Service is proposing in the fiscal year 2002 budget to reduce funding for the Joint Fire Science Program from $8 million to $4 million. The Department of the Interior has maintained the funding at $8 million. Why has the For-

est Service proposed reducing this program, particularly given the severe fire risk in our nation's forests?

Answer. Based on competing priorities for Wildland Fire Management and other program funds to implement the range of wildland fire preparedness, fire operations, and other critical activities in fiscal year 2002, the $4 million level is the amount available for the Joint Fire Sciences Program in fiscal year 2002.

Question. What, if any, problems will be caused by the proposed discrepancy in funding between DOI and the Forest Service?

Answer. The Joint Fire Sciences Program (JFSI) was designed to operate with equal contributions from each of the two departments. Unequal representation could be an impetus for having to change the representation on the Governing Board and in the newly established Stakeholder Advisory Group.

MISCELLANIOUS

Question. What is the current status of the Agency's efforts to complete the inventorying of its real property assets through the INFRA database system?

Answer. The Forest Service is currently tracking the vast majority of its real property assets within the Agency's Infrastructure (INFRA) asset management system. Within INFRA modules, the Forest Service is tracking buildings, dams, roads and road bridges, trails, administrative sites, campgrounds and other Recreation developed sites, and other assets that are used as part of the management of the Agency. However, INFRA modules for assets used for fish and wildlife habitat, geology and minerals, and parts of the Agency's watershed programs have not yet been developed. Because there are fewer of these assets and they generally have a lower value, the development of other asset modules took precedence. The mining site module is currently under development and Forest Service will develop modules for the remaining assets in the future.

Question. Has agreement been worked out with the Inspector General regarding threshold values that Question trigger requirement to inventory, and sample size for roads?

Answer. The Forest Service and USDA regulations require an inventory of all real property assets every two years, regardless of value. The current capitalization threshold for all USDA agencies is $5,000. The Forest Service and the OIG have discussed threshold values which would in turn trigger an inventory or the development of a sampling methodology for inventorying all real property. The USDA Office of the Chief Financial Officer is in the process of recommending/negotiating a Departmental policy which would increase the current capitalization threshold. While the amount of the new capitalization threshold is unknown at this time, it is anticipated to be agreed upon by July 31, 2001.

Question. How is the effort to interface the INFRA database with the Agency's new FFIS accounting software progressing? Have any compatibility problems arisen? If so, what is the Agency doing to resolve these problems?

Answer. The Forest Service is aggressively pursuing efforts to interface the INFRA database with FFIS. Toward this end, the Agency routinely incorporates necessary attributes within the development of INFRA modules to assure compatibility between INFRA and FFIS.

Question. Last year, a major budget restructuring was approved by the Committee. Has this reduced the number of accounting transactions that were overloading the accounting system? If so, how much have they been reduced.

Answer. FFIS is a financial management system that is in compliance with the implementation of the U.S. Government standard general ledger (SGL) at the transaction level. Implementation of the SGL at the transaction level assures that the reporting and accounting comes from the accounts and the journal entries. The impacts of the budget restructuring did not result in a reduction of full time equivalents (FTE's), closing campgrounds or offices, or reducing the number of contracts and/or agreements that the Forest Service has with cooperators, government agencies, or commercial vendors for the delivery of goods and/or services. Thus, a reduction was not realized, and there was no significant impact on the number of initial transactions processed from the various feeder systems, such as, purchase orders, payment of telephone and utilities, or payroll. However, the budget restructuring significantly improved the overall time required to execute offline processing jobs supporting FFIS.

The monthly cycle, as the name suggests, occurs once a month. The purpose of the monthly cycle is to close that month (accounting period) for internal and external reporting purposes. The Forest Service runs a series of jobs during the monthly cycle to support the payment and billings processes, as well as perform general ledger updates. Cost allocation, which is a major part of the monthly cycle, is the proc-

ess of distributing costs or revenues from a pool to one or more bases. For the Forest Service, this equates to distributing from a pool budget line item to prospective budget line items. This process distributes actual indirect costs associated with providing services that are not directly identifiable with a specific accounting entity.

The budget restructuring process, along with a few other changes, significantly enhanced the efficiency of the job processing time. From October through March of fiscal year 2000 compared to fiscal year 2001, we have reduced the number of general journal records produced as a result of the cost allocation process from 152,264,388 to 99,488,178, which is a reduction of 52,776,210 records. Reducing the number of journal records also improved the efficiency and processing time of other jobs that run in the monthly cycle, such as, maintenance (performing backups of tables and journals), and the process to copy and store records in the Financial Data Warehouse. Also, by default the number of records stored in the Financial Data Warehouse has been reduced. With improved performance in the monthly cycle FFIS is available to the users two days earlier (i.e. currently down only one day at the end of the month as opposed to three days in fiscal year 2000).

Question. Have any unanticipated problems occurred because of budget restructuring?

Answer. The Agency is very satisfied with the new budget structure. There is some concern that on a stand-alone basis the information collected through accounting and formulation operations using only this structure may not be sufficient. The Agency has developed over 50 activity/output measures that tier directly to the new budget structure. Incorporation of these measures into the full cycle of formulation, presentation, and accounting will assure a greater quality of information is provided in support of this new structure. Such integration will be fully implemented in fiscal year 2003.

Question. In accordance with recommendations from the National Academy of Public Administration, the Agency has plans to adopt a field-based budget formulation system. When does the Agency plan to have this budget system implemented?

Answer. The budget system is being implemented to support formulation of the fiscal year 2003 budget request. Field units including the National Forests, Regions, Research Stations, and Northeastern Area used this new system to develop field-based requests for fiscal year 2003.

Question. What will the cost be for this system?

Answer. The software costs were about $1.2 million. An additional $650,000 was spent for contractors to help reengineer the budget process, develop a change-management plan, and develop training for the field on how to use the new system.

Question. What has the Agency done to ensure that the system is easy to operate and meets the needs of end-users?

Answer. The Forest Service purchased an off-the-shelf system with a reputation of being easy to use. Furthermore, end users participated in the development phase and offered many suggestions for improving the system. The Forest Service also plans on conducting a post-implementation review to concentrate on ways to streamline the process and improve the system for fiscal year 2004. This review will rely heavily on input from the field to make the system more user friendly and effective for the fiscal year 2004 process.

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

SIERRA NEVADA FRAMEWORK

Question. Chief, I have a question about a large planning effort that the Agency is working on called the Sierra Nevada Framework. I understand that this planning effort is focused primarily on the habitat needs of the California spotted owl. The reason that I ask this question is that I have close friends who operate a boys' camp in a forest that will be affected by this plan. We are very concerned that the Sierra Nevada Framework plan may put restrictions on the camp that may force this camp for disadvantaged boys to close down. What kinds of restrictions will this plan impose on current users of the forests?

Answer. The Sierra Nevada Framework decision provides new protections for old forests, wildlife, meadows, streams and lakes, and calls for aggressive treatment of fuels to reduce severe wildfires that threaten ecosystems and communities. Implementation of this strategy is expected to affect grazing and other vegetation disturbing activities on the National Forests covered by the Plan. The strategy does not, however, place any restrictions on use by humans using the forests.

Question. Will the new Administration be reviewing the impacts of this plan on operations like this camp?

Answer. The Forest Service will evaluate the impacts of this plan on specific forest operations on an as-needed case-by-case basis.

Question. When do you expect a final decision on the plan?

Answer. The Record of Decision (ROD) amending Forest Plans on 11 National Forests in the Sierra Nevada of California was signed in January 2001.

SOUTHEAST ALASKA INTERTIE

Question. As you know the Alaska delegation is very concerned with the impacts of the March 30th injunction issued by the District Court in *Sierra Club* v. *Lyons* will have on SE Alaskan communities. What specific steps is the Agency taking to address this problem in regard to the SE intertie?

Answer. Judge Singleton stayed the injunction on May 24, 2001 in response to Forest Service motions. Timber sale contractors have been permitted to resume work on open contracts. The judge will hold an evidentiary hearing in mid-July where one of the outcomes could be another comprehensive stay, a more focused stay or no stay on activities.

While the Agency cannot predict the outcome, the Forest Service is working on the permit for the project.

CRIMINAL CHARGES AGAINST YAKUTAT MAN (TONGASS NF)

Question. I am also concerned with actions occurring in Yakutat with the former District Ranger, who filed six criminal charges against Ken Fanning over a failure to report his use of the Situk River on 6 occasions with fees totaling less than $15. Mr. Fanning may also loss his Special Use Permit. Prosecuting technical permit violations that do not raise security or resource issues and involve the collection of less than $15 in user fees does not seem to be a cost effective use of valuable Federal resources. Please file for the Record an explanation of the Forest Services actions pertaining to Mr. Fanning's case and inform the Committee when these charges are resolved.

Answer. During the summer of 2000, Alaska Airport Properties Inc., dba Yakutat Lodge, repeatedly violated the terms of its Special Use Permit issued by the USDA Forest Service for commercial use of the Situk River in Yakutat, Alaska. After Yakutat Lodge failed to respond to several requests that it comply with its permit obligations, the Forest Service referred the matter to the United States Attorney's Office. This action was taken for the protection and management of the Situk River and to uphold the integrity of the Special Use Permit system. This case was not referred for criminal enforcement to recover user fees.

BACKGROUND

The Situk River runs through the Tongass National Forest from Situk Lake to the Gulf of Alaska. It is a relatively small river but produces a world-class fishery, including steelhead and all five species of Pacific salmon. As a result, the Situk is heavily used each year. In fact, 22 percent of the freshwater fishing on the Tongass occurs on the Situk.

As a result of over-crowding on the river, and in order to protect and manage the resource for the future, a program of permits was instituted to regulate the commercial outfitter/guide operations on the Situk. This program was the result of an extensive management planning effort undertaken by the Forest Service in conjunction with the Alaska Department of Fish and Game, City and Borough of Yakutat, and the Environmental Protection Agency.

Over 80 percent of the boat use on the Situk is outfitted or guided. Ten outfitting/guiding operations currently hold permits to use the river. The Special Use Permit system allocates a limited number of "boat days" (boats per day on the river) to each outfitter/guide, limiting the total number of boats they can guide or outfit each season.

In 1999, the Forest Service instituted a system whereby outfitters/guides are required to turn in a reporting card for each boat that they outfit or guide each day. The reporting cards gather valuable information about how many boats are on the river each day and what species of fish are caught. The daily reporting system was designed both to assist with permit administration and to gather additional data for future planning and management of the river.

YAKUTAT LODGE

Mr. Ken Fanning, owner of Alaskan Airport Properties in Yakutat, is the holder of a special-use authorization for outfitting and guiding on the Yakutat Ranger Dis-

trict. His advertised activities, associated with the Yakutat Lodge, include sport fishing, boat rentals, sight seeing, beach combing, photography, and kayaking

During the summer of 2000, Yakutat Lodge, despite requests to comply, repeatedly violated the terms of the Special Use Permit by not reporting boats that they outfitted on the Situk River.

This matter is now the subject of a pending criminal investigation and prosecution. Any inquiries about the factual details should be addressed to the Unites States Attorney's Office for the District of Alaska.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

ROADLESS BAN

Question. The judge in the Idaho lawsuit, he noted, ruled on April 5th that federal law had been violated because the rulemaking process had a "pre-determined outcome." The roadless rule was originally scheduled to go into effect March 13th, but the Bush Administration has delayed the implementation until at least May 12th. The judge in the Idaho lawsuit has given the federal government until May 4th to issue a response in the case. Mr. Bosworth, I know that you are just getting settled in to your new position as the Chief Forester and the roadless issue is in litigation. What are your thoughts or comments on the approach that was conducted under the past administration?

Answer. The Forest Service will move forward with a responsible and balanced approach that fairly addresses concerns raised by interested parties, local communities, tribes, and states impacted by the Rule based on the following five principles:

—*Informed decision-making.*—USDA will examine more reliable information and accurate mapping, including drawing on local expertise and experience through the local forest planning process;

—*Working together.*—USDA will work with states, tribes, local communities and the public through a process that is fair, open, and responsive to local input and information;

—*Protecting forests.*—USDA will protect roadless areas from the negative effects of severe wildlfire, insect, and disease activity;

—*Protecting communities, homes, and property.*—USDA will work to protect communities, homes, and property from the risk of severe wildfires and other risks that might exist onadjacent federal lands; and

—*Protecting access to property.*—USDA will ensure that states, tribes, and private citizens who own property within roadless areas have access to their property as required by existing law.

FIRE ASSISTANCE

Question. Forest Fires usually occur in rural areas and other out of the way places that are only served by volunteer fire departments. A vast majority of the fire departments in Colorado are staffed by volunteers, and fires such as the ones we had last year can quickly drain a small fire department's budget. I am pleased to note that there is a small increase in the budget foe State and Volunteer Fire Assistance, where many of Colorado's volunteer fire departments obtain much of their financial assistance. Are there any plans by the Forest Service to further aid volunteer fire departments in the annual battle against forest and wildfires?

Answer. In addition to the requested regular State and Private Forestry program funding of $5,053,000 for Cooperative Fire—Volunteer Fire Assistance there is also $8,262,000 of National Fire Plan funding in the Wildland Fire Appropriation. At this funding level there are plans to assist a total of 6,660 rural community volunteer fire organizations in fiscal year 2002.

Question. If so, when might these plans be implemented?

Answer. When final appropriations are received the Forest Service will work cooperatively with the States to deliver assistance to the volunteer fire organizations. The funding is supplied to the communities/volunteer fire organizations on a 50/50 match basis.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

WOOD IN TRANSPORTATION

Question. West Virginia is home to the Wood in Transportation Center in Morgantown. This Center designs and produces the finest timber bridges in the world. What are the Forest Service plans for the Center in the fiscal year 2002 budget?

Answer. The fiscal year 2002 Wood In Transportation budget of $3,000,000 will be used by the National Wood in Transportation Information Center in Morgantown, W.V. with $1,000,000 focused on commercialization projects associated with the National Fire Plan.

NATIONAL FIRE PLAN

Question. The Congress appropriated almost $1.9 billion to the Forest Service for Wildland Fire Management in 2001. Your 2002 request is for nearly $1.3 billion, which is still much higher than the 2000 appropriation. The budget justification does not mention firefighting funds for the Monongahela National Forest. Does this mean the Monongahela is not in danger of fires or that there are no wildland urban interface communities in need of hazardous fuels removal in West Virginia?

Answer. The State Forester or the State Natural Resource Agency provides identification of communities at risk in their state and this list is provided to the Forest Service and the Department of Interior (DOI) for consideration in development of the national program. Information from West Virginia was not received in time to include in the first list of communities at risk. However, 167 West Virginia communities are on the list currently being prepared, of which 127 were in the vicinity of Department of Interior or U.S. Forest Service lands, with the other 40 shown as being in the vicinity of other federal lands.

Question. The National Fire Plan requests funding in several different Forest Service accounts. Please provide for the record a table that shows fiscal year 2001 and 2002 funds broken out by account and program.

Answer.

NATIONAL FIRE PLAN FUNDING FISCAL YEAR 2001–FISCAL YEAR 2002

ACCOUNT	2001	2002
WILDLAND FIRE MANAGEMENT:		
PREPAREDNESS	$611,143	$622,618
OPERATIONS:		
Suppression—Title II	140,718	325,321
Suppression—Title IV	178,606	.....
Hazardous Fuels—Title II	85,422	209,010
Hazardous Fuels—Title IV	119,736	.....
Forest Health (Transfer to S&PF—FHM)	11,974	11,974
State Fire (Transfer to S&PF—Coop Fire)	50,383	50,383
Volunteer Fire (Transfer to S&PF—Coop Fire)	8,262	8,262
EAP (Transfer to S&PF—Coop Forestry)	12,472	12,472
Fire Facilities (Transfer to CI&M)	43,903	20,376
Rehab and Restore (Transfer to NFS)	141,688	3,668
R&D (Transfer to F&RR)	15,965	16,265
Com & Private Land Fire Assistance (Transfer to S&PF)	34,923	0
Subtotal—Operations	844,052	657,731
EMERGENCY FIRE CONTINGENCY	425,063	.....
Total, WFM	1,880,258	1,280,349
STATE AND PRIVATE FORESTRY:		
COOPERATIVE FIRE PROTECTION:		
State Fire Assistance	24,945	25,310
Volunteer Fire Assistance	4,989	5,053
Total, S&PF	29,934	30,363
GRAND TOTAL, NATIONAL FIRE PLAN	1,910,192	1,310,712

FOREST SERVICE OVERALL MAINTENANCE BACKLOG

Question. The President's budget request is very generous with respect to National Park maintenance but I am quite concerned that the President may be giving short shrift to the maintenance needs of the Forest Service. This budget requests $440 million toward the backlog of national park facility infrastructure needs. Only $50 million is proposed to address the $6 billion deferred maintenance backlog for the Forest Service. In fact, the entire request for the Forest Service Capital Improvement and Maintenance budget does not even keep pace with the Service's an-

nual maintenance requirement. How much would the Forest Service need just to hold the maintenance backlog steady in 2002?

Answer. The total annual maintenance funding needed for all Forest Service Programs is approximately $873.6 million. Direct costs of managing maintenance programs and Agency indirect costs are not included. Most unmet annual maintenance becomes deferred maintenance, but some does not. Of the $873.6 million needed for maintenance, approximately $800 million in fiscal year 2002 for roads and facilities would prevent growth of the maintenance backlog.

TIMBER SALES

Question. The Forest Service sometimes conducts timber sales that actually result in losses to the government. I am sure there must be some good reasons for below cost sales. Why does the Service sell timber below the cost?

Answer. We attribute the resultant below cost sales to implementation of a new accounting standards for road prisms, less volume being sold affecting our economies of scale, and the sale of more salvage and smaller trees of lesser value as we shift our program to respond to forest health needs rather than focusing on the production of wood as a commodity. In addition, expenditures have significantly increased to meet more stringent environmental protection standards. The National Forests are not managed like a for-profit business, and our mandate is to charge fair market value, not to recover all related costs. Timber sales are still commonly the least net cost way to achieve important vegetative management objectives, and timber sales provide many public benefits beyond that of the revenues collected. These include direct benefits to the National Forests resulting from the improved vegetative management applied, the indirect benefits from expenditure of Knutson-Vandenburg (K-V) and Brush Disposal (BD) funds collected from timber purchasers, and the jobs maintained and the resulting personal income and tax effects.

ANTI-DEFICIENCY ACT VIOLATION

Question. The Forest Service Wildland Fire Management account was found to be in violation of the Anti-Deficiency Act in fiscal year 2000. Will you please explain the reasons for the violation and what you are doing to rectify the situation?

Answer. Refer to attached report: USDA Forest Service Review of fiscal year 2000 Spending in the Wildland Fire Management Appropriation (April 2001).

QUESTIONS SUBMITTED BY SENATOR HARRY REID

Question. To what extent does the Administration's budget for fiscal year 2002 reflect the mandate of the Lake Tahoe Restoration Act?

Answer. The table below indicates a preliminary projection of what types of work will be accomplished in fiscal year 2002. The Act calls for an annual $30 million from the Federal Government. At this time, the final program of work decisions for fiscal year 2002 have not been made.

Activity	Lake Tahoe/Restoration Act	President's Budget Fiscal Year 2002
Adaptive Management: Monitoring, research, evaluation	$1,000,000	$200,000
Vegetation management: Mechanical treatments and fuels reduction	2,900,000	1,400,000
Wetland/riparian restoration: Streamside habitat improvement stabilization and planning	3,000,000	1,750,000
Recreation development and transportation: Replace aging infrastructure and increase interpretative programs	2,000,000	150,000
Road/Trail improvements and decommissioning: To meet water quality Best Management Practices and convert unneeded roads or closed roads to trails	3,000,000	2,200,000
Land Acquisition (includes staffing and processing): Purchase of environmentally sensitive lands	6,600,000	4,250,000
Urban Lot Management: Management of over 3,500 parcels—fuels reduction, thinning of overstocked stads, trespass reduction, boundary location, and watershed restoration	1,500,000	400,000
Erosion Control Grants: Grants to local governments for planning and construction of water quality improvements	10,000,000	0
Totals	30,000,000	10,350,000

Question. Does this represent full funding as authorized by the Lake Tahoe Restoration Act?

Answer. No, this does not represent full funding as authorized by the Lake Tahoe Restoration Act.

LAKE TAHOE LAND ACQUISITIONS

Question. The second issue I would like to address is the role the federal government plays in acquiring and managing environmentally-sensitive urban lots in the Lake Tahoe basin.

This work is critically important to the efforts to Save Lake Tahoe. It is one of the most important contributions the Forest Service can and should be making.

The federal land acquisition is the heart of the conservation and mitigation program established a number of years ago and this effort continues to serve as a model for other cooperative restoration programs around the country.

The land acquisition program is the bedrock foundation of the partnership between the local communities, the States, and the various federal agencies at Lake Tahoe.

Abandoning this program would undermine the efforts to save Lake Tahoe and the intent of the Lake Tahoe Restoration Act.

What is your view of this program and will you maintain the Forest Service's commitment to these restoration efforts?

Answer. The Forest Service has prepared a Report on Legislative Options To Transfer the Lake Tahoe Urban Lots Program to State or Local Governments. House and Senate Conferees for the Committees on Appropriations requested this report in the Conference Report accompanying the fiscal year 2001 Appropriation Act. The Forest Service is also following specific congressional directives for Lake Tahoe stating, "None of the funding provided for Federal land acquisition shall be used to acquire additional lots. Acquisition of larger resource lands adjacent to National Forest System land to protect watershed values and provide recreation opportunities should be the focus of the Forest Service land acquisition program at Lake Tahoe."

The Forest Service commitment at Lake Tahoe remains strong. We will work in a cooperative manner with the states, local communities, and the Congress to maintain clear expectations on the future role that the Forest Service will retain in the continuing acquisition and management of urban lots.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

Question. In the Forest service budget justification, $4.2 million is identified for projects to commemorate the Lewis and Clark Bicentennial—primarily in Montana and Idaho. As you know, part of the Lewis and Clark National Historic trail in North Dakota lays adjacent to the Little Missouri National Grasslands, which is the National Forest System. Do the planned projects for fiscal year 2002—identified in your budget justification as interpretive sign plans, supplemental law enforcement staffing, and funding for managing invasive weeds—include this area in North Dakota?

Answer. Yes, the Forest Service's budget request for the Lewis and Clark Bicentennial includes projects in the state of North Dakota on the Dakota Prairie National Grasslands unit. Bicentennial planning by the Dakota Prairies National Grasslands includes enhanced Lewis and Clark interpretation as well as interpretive development of other recreation sites, which may be of interest or provide recreation services for tourists following the designated Lewis and Clark highway routes in the State of North Dakota.

The Little Missouri National Grassland borders the Missouri River in the vicinity of the April 18, 1805 campsite in an area called Tobacco Gardens. This area overlooks the place where Meriwether Lewis was accidentally shot while hunting. The Dakota Prairie National Grasslands unit is planning for the development of an interpretive site at Tobacco Gardens that includes an overlook, parking area, and interpretive trail. Funding for interpretive planning and survey and design of this site is included in fiscal year 2002 budget request.

Other cultural sites where improved heritage interpretation is being planned and/or implemented includes sites associated with the Custer Campaign, the Maa-Daah-Hey Trail, and Buffalo Gap Campground.

Additional programs in the fiscal year 2002 budget request include funding for enhanced traveler information at Forest Service offices, which on the Dakota Prairie is at Watford City, Medora, Lisbon, and Bismark ND, and partnerships and coordination with the Tribes (Three Affiliated Tribes at Ft. Berthold).

The extent to which these Bicentennial projects are funded will depend on the total final fiscal year 2002 allocations to the Regions.

Question. I noted that the President's budget includes an increase of $495,000 for advanced technology in housing at the Forest service Products lab in Madison, WI. It is my understanding that this housing research will, among other things, improve housing durability and energy efficiency. Given the extreme weather and persistent flooding in my state, this seems like a wise investment of federal research dollars. Do you foresee a sizable increase for this research in this area in the future at the forest products lab? It is my understanding that the chemistry department at the University of North Dakota has expertise in the area of housing research. Would the Forest Products lab in Madison reach out to institutions like UND with the increase in funding requested in the President's budget?

Answer. The $495,000 increase in the President's budget for the Advanced Housing Research Center at the Forest Products Laboratory reflects the high priority we place on this program within the stated budget constraints. We feel that this is an important research area that will have significant benefit to the American public.

We have had a working relationship with the chemistry department at the University of North Dakota for over 3 years and they have been a key partner with us in developing the portion of our housing research program that addresses disaster-related issues such as flooding. Currently, a member from the University of North Dakota has been appointed as co-chair of an academic/industry consortium which will provide research recommendations to our Advanced Housing Research Center. Implementation of our multi-year research program would include work with the University of North Dakota to examine several issues related to wood-frame housing in floods, if funding becomes available.

QUESTIONS SUBMITTED BY SENATOR RICHARD LUGAR

HARDWOOD TREE IMPROVEMENT AND REGENERATION CENTER

Question. Please describe the construction and renovation needs for the Hardwood Tree Improvement and Regeneration Center (HTIRC) at Purdue University. What funds are needed to meet those needs? Are those funds included in the Forest Service budget request for 2002?

Answer. Currently, the FS has employees from the North Central Research Station, Northeastern Area State and Private Forestry and NFS Region 8 Cooperative Forestry stationed at the HTIRC. Initially, the FS only planned to have 6 employees, but the strategic needs of the region have required the program to expand to over 22 staff, with expected growth to over 30. Purdue University has supported the program with space and facilities, but labs are crowded and the university is unable to house the current program. Purdue University has proposed construction of new offices, research and field laboratories to meet the Center's program requirements. The Purdue is seeking a partnership with the FS in this construction project and has requested that the FS provide $7 million, of which $300,000 was already appropriated in the fiscal year 2001 FS budget. The balance, $6.7 million, is not in the fiscal year 2002 President's budget.

Question. Are there opportunities to share the costs with Purdue University, or other private and public institutions?

Answer. The total cost of the project is $25 million. Purdue University has $18 million in gifts to fund the project.

Question.: Who are the recipients of the research provided by the facility? Who are the research partners involved with the HTIRC?

Answer. HTIRC is a regional (11 state) partnership that is seeking to meet the hardwood tree improvement and non-industrial private forest land management needs in the Midwest. The region is experiencing an annual production shortfall of 50 million hardwood seedlings that is increasing by 20 percent annually.

HTIRC has partnered with the Indiana Department of Natural Resources Division of Forestry, American Chestnut Foundation, Indiana Hardwood Lumbermen's Association (IHLA), National Hardwood Lumber Association (NHLA), Walnut Council, Fred M. van Eck Forest Foundation and Indiana Forestry and Woodland Owners Association (IFWOA). IFWOA represents over 30,000 forest landowners in Indiana, and IHLA and NHLA represent the majority of the hardwood producers and manufacturers in the Eastern United States.

SUBCOMMITTEE RECESS

Senator BURNS. Thank you very much, that concludes the hearing. The subcommittee will stand in recess until 10 a.m., Tuesday,

May 8, when we will meet in room SD–124 to hear from Secretay, Department of Engergy, Spencer Abraham.

[Whereupon, at 11:08 a.m., Tuesday, May 1, the subcommittee was recessed, to reconvene at 10 a.m., Tuesday, May 8.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2002

TUESDAY, MAY 8, 2001

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:03 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Conrad Burns (chairman) presiding.

Present: Senators Burns, Campbell, Byrd, and Dorgan.

DEPARTMENT OF ENERGY

OFFICE OF THE SECRETARY

STATEMENT OF HON. SPENCER ABRAHAM, SECRETARY OF ENERGY

OPENING STATEMENT OF SENATOR CONRAD BURNS

Senator BURNS. The hearing will come to order. We have a vote coming up scheduled at 10:15, and I chose rather than to start the hearing after the two stacked votes to begin now. Sometimes in this body when they schedule a vote it always happens about an hour later, so we can control the time of the hearing and we may have to get up and go vote. There may be a break in this, Mr. Secretary. We appreciate you coming this morning, and I want to welcome our colleague back to the U.S. Senate, Spencer Abraham, to testify this morning on the Department of Energy's fiscal year 2002 budget request. We are glad to have you with us today.

The Department's budget request for fiscal year 2002 arrives at a difficult time for our Nation's energy sector. While the national press has extensively covered the rolling blackouts and fiscal crisis that has plagued California this year, the problems in our energy sector are far more widespread than California alone. Energy shortages and soaring energy prices are, without question, contributing to the economic slowdown of this country.

I do not think there was anybody, at the front end of this crisis that has happened in California, that had any idea the effect it would have, or the ripple effect it would have across this country, but with an economy as large as California's we were all bound to be affected. In my own State of Montana, thousands of jobs have already been lost, with mining operations, aluminum smelters, and other industries being idled by the cost of power.

Some of these operations will recover if energy prices return to more typical levels, but some will not. For some, the cost associated

with closing down and restarting are simply too great for those operations to remain competitive. It is ironic, Mr. Secretary, it is also tragic that such a thing can happen to a State like Montana. A State that has an immense wealth of coal and gas resources, and a State that is part of one of the world's greatest hydroelectric systems. Throughout this town, there are many discussions taking place about how we got into this mess, and what policy changes are necessary to get us out of it. Have individual States enacted flawed deregulation statutes? If Federal legislation is necessary at this time, has the uncertainty of deregulation itself stifled investment in new generation capacity? Are environmental restrictions on new plant construction too stringent, and have we been vigorous enough in our pursuit of energy conservation?

While I imagine we may get into some of these broad policy issues today, I hope that our limited time can focus a bit on those things that are under this subcommittee's direct control, particularly the Federal funding of fossil fuel R&D, energy efficiency R&D, the strategic petroleum reserve, and the Energy Information Administration.

The administration's 2001 budget makes good on two of President Bush's campaign promises, to nearly double the funding of the weatherization assistance program, and to invest in new resources and demonstrations of clean coal technologies. Both of these initiatives will be well-received by most of the members of this subcommittee.

Regrettably, these proposed increases come at the expense of ongoing R&D efforts on fossil fuels and energy conservation. While I have little doubt that some reordering of R&D priorities are appropriate, the magnitude of the administration's proposals causes me grave concern, given our current energy situation. Taken as a whole, these cuts are unacceptable. I think many of my colleagues on this committee will feel the same way.

That said, Mr. Secretary, I hope you will help us today to better understand this budget request and the considerations that are factored into its development. While I fully expect your support for the President's budget request, I hope you will also be candid with us. We need to hear your thoughts on which programs are working and why.

Were certain programs reduced in the President's request because they are not effective, or were they reduced simply because of the fiscal restraints under which we had to operate? Can increases for clean coal technologies and weatherization be spent effectively in the coming fiscal year, and will the budget request be adequate to support the energy policy recommendations that we are expecting from the Vice President later on this month?

Before I let you answer some of these questions that we will have, I will turn to my Ranking Member on the committee for his opening statement, Senator Byrd.

OPENING STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Mr. Chairman, you are a man after my own kidney, as Shakespeare would have it. I could almost stop right here, but I will not quite stop.

Welcome to the Interior and Related Agency Subcommittee, Mr. Secretary, and welcome back home, which is a better place. Because you and I have previously discussed the Energy Department's budget request for fiscal year 2002, specifically as it relates to the Office of Fossil Energy, it will come as no surprise to you when I say that I am dumbfounded by what the administration has proposed.

The President often speaks of our need to increase domestic energy supplies. I know the Vice President has said that the supply problems we face throughout this Nation are largely the result of short-sighted policies. I am aware, Mr. Secretary, that you have told the people at the National Energy Technology Laboratory that the research and development work that they oversee is important to our Nation's energy security.

Unfortunately, what I heard with my ears is not the same as what I am now seeing with my eyes, and I am at a loss as to how to reconcile the verbal pronouncements with what the administration has actually proposed in its budget. Your prepared statement says that the Energy Department's fiscal year 2002 budget submission is a, quote, prudent transition, close quote, between the past and present administrations. I disagree.

When I consider the request for the Office of Fossil Energy, for example, and to which the distinguished chairman has already referred, I see budget cuts of 40 percent, 50 percent, and in the case of some programs, even 100 percent. I do not see the prudent transition that your statement speaks of. Rather, what I see is a Department that is effectively telling its research and development team to hang a sign on the door that says, going out of business.

It is simply wrong for this administration to think that we can increase domestic energy supplies without also making a concerted effort at developing the kind of technology that will make that possible. The oil and gas which everyone seems to want to get their hands on is not going to rise from the ground in an environmentally sound manner all by itself, nor can we find new uses for coal, our most abundant energy supply, without a strong commitment to basic scientific research.

Mr. Secretary, I can assure you that I intend to work with the distinguished chairman of this subcommittee to rectify what I believe is a gross error in judgment. I hope that the administration will reevaluate its policies and reconsider its position with respect to this budget, because as I see it today I do not believe that this request is capable of being enacted into law.

Mr. Chairman, as always I appreciate your courtesy, and I will reserve my specific questions until after the Secretary has submitted his statement and, of course, as you have indicated we have some votes coming up, but I do look forward to returning after those votes, if they really occur, and I look forward to the hearing, and I again thank you, Mr. Secretary.

Senator BURNS. Thank you, Senator Byrd. Senator Campbell.

OPENING STATEMENT OF SENATOR BEN NIGHTHORSE CAMPBELL

Senator CAMPBELL. Thanks, Mr. Chairman, to our colleague, Spence Abraham. It is nice to see you here. I am sorry they did not let you into the building as easy as you got in when you were

a Senator, but that is what happens when you leave, I guess. Thanks for being here.

I am somewhat concerned, too, about the President's budget dealing with energy, Mr. Chairman. I know that we had kind of a bumper year last year, but it looks to me like the President's policy in dealing with a long-term solution to the problems we find ourselves in in energy is focused primarily on oil, and as I look at some of the others, I think there needs to have more resources in terms of money like coal, methane, and coal in itself and oil shale, a lot of other things as alternatives to just oil. I think they are really going lacking in this budget.

There is one in particular I wanted to mention. We have the National Renewable Energy Lab, as you know, Secretary Abraham, in Golden, Colorado, and under the President's budget there is basically a huge cut in this, and frankly I do not know how you can have a complete budget policy, or a complete energy policy, excuse me, without including the importance of renewable energy, and I would hope you would take a look at that, because it is something I think could be devastating. Something like one-third to one-half of the whole workforce under this budget will have to be let go. It really severely limits our Nation's research into renewable energy technologies.

I would also hope that, as former Secretaries in your position have, that you would find time to visit Rocky Flats in my home State of Colorado. The cleanup is destined to be done by 2006, and we hope it is, and it seems to be going alone pretty well now, but it is a commitment we have made, literally every administration has for the last 15 years, on getting that area cleaned up, so I would hope you would find the time to come out and visit us when you can.

Thank you, Mr. Chairman.

Senator BURNS. Senator Dorgan.

OPENING STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you, and Mr. Secretary, thank you for being here. Let me just associate myself with the remarks of the chairman, and Senator Byrd and Senator Campbell. I think we all feel that this is a complicated set of issues. There is not necessarily one simple solution to it, and we feel that we ought to do a lot of things and do them well in order to respond to these issues.

But you know, the cuts in fossil fuels, the cuts in renewable energy, the cuts in natural gas research, natural gas exploration research—some of them 50 percent cuts—this just does not make sense, given where we are and what we need to do.

Because I have the opportunity and I may not later, let me also go afield just for a moment from the appropriations side and say that we have had a lot of hearings in the Energy Committee. You know, the California circumstance of going from $7 billion to $70 billion in 2 years, the cost of electricity, you know, you would call that grand theft in any other circumstance. The sale of natural gas from an unregulated entity outside of the State to a regulated entity inside the State, you cannot track the transparency of the pricing.

All of these issues with pricing, natural gas, oil, electricity not just on the West Coast and not just in California, raise a lot of important questions. I frankly think we ought to have a joint House-Senate investigative committee to take a look at a wide range of energy pricing.

We seem to be willing to investigate almost anything at the drop of a hat in recent years. It seems to me it might be useful to put a spotlight on energy pricing with a joint investigating committee that represents the time-honored tradition of the Senate. We legislate, and we also investigate in Congress, and have done so with some success. I think it may well be time to do that now.

FERC has done its best imitation of potted plants for the last several years, where they sit around and watch all this develop around them. I think we have to be very active on these issues of energy prices and policy.

Getting back to the appropriations, we are going to have to change the recommendations of this administration dealing with fossil fuels and research and renewable technologies and so on, because that has to be a part of the solution to this energy problem.

Mr. Secretary, you are good to come. I look forward to hearing your testimony.

Senator BURNS. Thank you, Senator Dorgan. I think when you take a look through this, and I will wait for the testimony of the Secretary this morning, I think there is general agreement on what we have to do as far as the development of energy and an energy policy.

Maybe our priorities are not the same as the administration, but through, I think, constructive talks and negotiations, and I look forward to those and working with Senator Byrd and with the administration on identifying those priorities and coming with an appropriations bill that I think will serve it.

SUMMARY STATEMENT OF HON. SPENCER ABRAHAM

I think right now what we have, looking just as a note of introducing the Secretary, that we are waiting for the report from the Vice President and his energy, and how that fits, how the policies we will talk about today, in the funding today, how that fits with his priorities also in this energy mix.

We do know this, though, the insatiable demand for energy in this country has not gone away, and one law that we did not write, that works very well, and that is the law of supply and demand, and that happens to be working very well at the present time.

Mr. Secretary, thank you for coming this morning. We look forward to your testimony.

Secretary ABRAHAM. Well, thank you all, and it is obviously for me a pleasure to be back with my former colleagues, and I appreciate the gracious welcome I have received here, and to confess that I certainly miss the chance to serve alongside each of you and our other colleagues, my former colleagues.

I would like to perhaps depart a little bit from the prepared testimony, and if we could submit the full statement for the record——

Senator BURNS. The full statement will be made part of the record.

Secretary ABRAHAM. Let me just try to, at least as a threshold matter, address some of the issues that have been already raised, and which I am sure in our question and answer period we can get into in more detail, to try to at least give a sense of priority to what we have done, as well as to try to put this year's budget, at least for this subcommittee and the full Department of Energy, into perspective.

DOE BUDGET REQUEST

First, let me just say that our Department's budget for the 2002 fiscal year, as proposed and submitted, is $19.2 billion. That is actually a $275 million increase over the submission that was made a year ago, so it is at approximately the same level, but it is $456 million below the fiscal year 2001 final appropriations level.

I would note for the record, though, that if one removes from the final fiscal year 2001 appropriated level certain one-time-only expenses, such as the funds which were provided for the Cerro Grande fire emergency, and one-time projects directed by Congress, this year's submission is $13 million less than the final appropriated level of last year, minus those one-time expenditures, which are add-ons for the most part during the course of the year.

With respect to the specific budget of this subcommittee, the programs within your jurisdiction which we propose are approximately $1.6 billion. This request is about .7 percent, or $11 million below 2001 appropriation levels. However, it is $284 million above the fiscal year 2001 request, and $384 million above the fiscal year 2000 appropriations.

BUDGET CHOICES

Now, a question was raised as to why some of the choices were made as they were, and what I would like to do is just to give you a quick sense of some of the priorities that we have set.

First of all, when one enters into a new administration, well into the budget process, the guidance for our Department was somewhat limited. It was limited to those positions and platform statements that had been made during the campaign by the President. Where there was clear direction for establishing priorities, we used that direction.

You already mentioned, Mr. Chairman, the investments in clean coal technology, which the President had enunciated during his campaign, and even after the election. You also mentioned the commitment to increasing substantially our weatherization program. Those are reflected in the budget.

However, we are still waiting, as you indicated, for the guidance, the much more broad, sweeping guidance in terms of energy policy and subsequent budget, that will come about as a result of the work that is being directed by Vice President Cheney, our Energy Policy Task Force efforts, the results of which will be announced on May 17.

We did not feel it appropriate to make preliminary judgments as to what the results of that effort would yield, so this budget has not tied to prejudge policy changes as might be reflected in budget emphasis from that task force effort, but I can assure the committee that once we receive that guidance, whether in the context

of the discussions that will ensue this year, as we move to the final budget work, or certainly in 2003 and subsequent year budgets, that once we have that much more comprehensive policy guidance, we will reflect it in terms of the emphasis both within this subcommittee as well as the Energy and Water Subcommittee.

We did, however, have to make some choices in putting this together, and as we increase, for example, our commitment to weatherization programs based on the President's establishment of that priority, we made some decisions as to what the priorities within the fossil energy and the energy efficiency programs ought to be addressed.

WEATHERIZATION ASSISTANCE PROGRAM

For example, we concluded that it made sense, given the energy costs that less-advantaged Americans are confronting right now, to go forward with that presidential priority of virtually doubling the weatherization program. We sought, in order to fund that, some shifts, and the shifts that took place were from programs which the Department engages in, research programs and others, which for the most part provide benefits to a variety of industries in this country, industries which we feel can bear a greater share of the research and technology and other responsibilities than they currently do, in light of the success that those very industries have been enjoying.

We believe that the success they have enjoyed, in fact, will incentivize them to engage in a vast amount of additional activity in the areas that we have diminished, and so as a consequence we felt that the choice was between funding research and development activity in support of industries of the future, and in that context some of the most successful and prosperous industries in America, or providing weatherization assistance to less-affluent Americans, that the shift to support for the weatherization programs made sense.

PARTNERSHIP FOR A NEW GENERATION OF VEHICLES

The other thing which we tried to do in the brief period of time we had in putting together this year's submission was to analyze to the extent we could some of the existing programs to determine whether or not the current funding levels were rational and made sense for the future. One area, for example, in the area of efficiency, that we have changed, is the level of commitment to the Partnership for a New Generation of Vehicles.

To use it as an illustration, because it is not only an area where we have made some major changes, but it is one with which I am pretty familiar—in fact, its inclusion in the category of programs that were reduced I think indicates that there are no sacred cows. PNGV programs, when I was a Senator, I was one of the strongest advocates for. The benefits of this program accrue in no small measure to the companies in my home State of Michigan, the automobile makers, who entered into partnership with the Federal Government that many in this committee were involved with at its inception to try to design vehicles which were more fuel-efficient. I think that is a very important commitment for us to make.

But what we concluded, after sitting down with the auto companies and analyzing the program in light of the program as it was now versus how it was envisioned in the year 1993, was that a substantial part of the program's mission had been changed, and that in fact some of the research and technology investments which we were continuing to make were with respect to the development of components for vehicles that would never be manufactured, and so in a very cooperative effort with the auto makers, we concluded that those parts of the program that just were on track towards development of a mid-size sedan just did not make sense for the Federal Government and the taxpayer's money to be continued.

The program remains intact, at approximately a $100 million level, but about $40 million has been reduced because we have concluded that that research really is not going to translate into a real-world application.

So some of the changes that you see are based on a shift from support for industries who we believe can bear a greater share of the burden, to less affluent Americans, others, as in the case of PNGV, represents an analysis that we have already made that we concluded did not wisely invest the taxpayer's money.

So that is the basis that was used to try to put this budget together. I recognize I talked to several members of the subcommittee, and obviously to House side members as well, that there remain areas where we not only need to have further discussions, but where, obviously, questions exist, and I look forward to addressing them, but I did want to give the subcommittee just a threshold, a sense of the way we attacked the process, how we tried to analyze it, the priorities which we had guidance to set, and those which remain in no small measure areas in which further guidance will be forthcoming where the Vice President's task force is completed.

But in conclusion, Mr. Chairman, I just look forward very much to having an opportunity to address more specific inquiries, talk further about this, and, of course, to continue the process into the remainder of the appropriations work that we will do this year.

[The statement follows:]

PREPARED STATEMENT OF HON. SPENCER ABRAHAM

INTRODUCTION

Mr. Chairman and members of the Subcommittee, it is a pleasure to appear before you for the first time to discuss the Department of Energy's fiscal year 2002 budget request. The Department's total budget request for all appropriations is $19.2 billion. This amount is $456.4 million, or 2.3 percent, below the fiscal year 2001 level and $1.4 billion above the fiscal year 2000 level. Of the total budget, $1.6 billion is for programs within the jurisdiction of this Subcommittee.

This budget is a prudent transition between what was left to us by the previous Administration and our policy priorities in the budgets for 2003 and beyond. In the limited time given us to formulate this budget, we turned its focus as much as we could toward our ultimate goal of major DOE reform. We also initiated a broad range of strategic and policy reviews that will fully shape future budgets. As a result, this budget begins reform in some important program areas. Make no mistake, more change is coming. Some may fault this approach, saying it changes too much or too little. But I believe this is the right budget for this year; it's a responsible start to change the course of business at the Department.

PRINCIPLES GUIDING THE FISCAL YEAR 2002 DEPARTMENT OF ENERGY BUDGET

This budget is a principled and responsible effort, one that keeps President Bush's commitment to control the growth in discretionary spending, while meeting critical requirements in national security, energy, science, and environmental quality. This budget adjusts program requests to reflect reviews underway to reevaluate and refine the Department's missions, and to implement management strategies that meet the challenges of the future. Based on this request, the Department will:

—Enhance complex-wide safeguards and security efforts
—Eliminate programs that have completed their mission, are redundant, ineffective, or obsolete
—Review all private-sector subsidies and maximize cost-sharing opportunities
—Finish promising R&D projects where investment installments are nearly complete
—Establish baselines and improve accountability for project and capital asset management
—Arrest deterioration of infrastructure through stronger management of maintenance
—Utilize computer information systems to improve management and promote efficient use of resources
—Eliminate unnecessary layers of management, and direct personnel to high-priority missions
—Achieve savings in management expenses through comprehensive, creative management reform
—Recognize and respect Congressional policy determinations for operating the DOE complex.

This budget also maintains the Administration's flexibility to respond to government-wide policy reviews now underway. Vice-President Cheney's National Energy Policy Development Group, figures heavily in the Department's current budget and its future year planning. Pending future decisions, the budget preserves program options by maintaining core requirements in areas under review, unless a change was dictated by a Presidential commitment. We stand ready to work with you and the other Members of this Subcommittee as recommendations are made.

INTERIOR AND RELATED AGENCIES APPROPRIATION BUDGET REQUEST

Approximately eight percent of the total Department of Energy budget, or $1.6 billion, is for programs funded in the Interior and Related Agencies Appropriation under the jurisdiction of this Subcommittee.

The $1.6 billion is $10.7 million, or 0.7 percent, below the fiscal year 2001 level and $384.3 million above the fiscal year 2000 level. Programs include Fossil Energy Research and Development, $449.0 million; the Strategic Petroleum Reserve, $169.0 million; Naval Petroleum and Oil Shale Reserves, $17.4 million; Energy Conservation Research and Development, $795.0 million; Elk Hills School Lands Fund, $36.0 million; Energy Information Administration, $75.5 million; and Economic Regulation, $2.0 million. The programs funded by this Subcommittee play a critical role in the nation's energy future.

The dominant energy issue confronting the Department over the next 20 years is the growing disparity between energy supply and demand. Current events in California serve as a warning to the rest of the nation of the importance of—or lack of—a thoughtful, effective energy policy.

Energy demand is rising across the board, and in particular for natural gas and electricity. At the same time, supplies are increasingly limited by an antiquated regulatory structure that, in many respects, has failed to keep pace with technological advances and societal needs. Our current energy infrastructure is woefully out-of-date and inadequate. This must change.

President Bush committed this Administration to develop and implement a new long-term national energy policy. Vice President Cheney is working with us at the Department to develop clear strategies to allow environmentally responsible exploration and recovery of our domestic resources, enhance conservation and energy efficiency, and encourage new technology investment in renewable energy sources.

Our future budgets will be shaped by the conclusions of this Task Force. We are currently maintaining core competencies, but expect changes. For those who might argue that we should spend more money on existing energy programs, continuing and expanding programs that have been in place as we drifted to the brink of an energy crisis would not appear a wise course to follow. We need a better measure of success than "dollars spent."

Critics have long claimed that DOE programs have produced few results. Wholesale dismissal would be unfair. Many of our energy programs are effective and

should be continued. On the other hand, the taxpayers sent us here to weed out the waste and to address growing problems of energy supply. The weeding begins in this budget. But make no mistake, we won't just be downsizing. We intend to rebuild our energy resources programs so they are productive, so taxpayers receive a better value, and the programs deliver results measured against rigorous standards.

FOSSIL ENERGY PRIORITIES

The fiscal year 2002 budget for the Fossil Energy program contains two of the three DOE Presidential Initiatives. They are the Clean Coal Power Initiative and the Northeast Home Heating Oil Reserve.

Clean Coal Power Initiative

The fiscal year 2002 budget includes $150.0 million for the Clean Coal Power Initiative, a high priority effort that reflects the President's commitment to clean coal technology. Coal supplies 54 percent of the nation's current power demands. Virtually every credible energy forecast shows that coal will continue to supply around half of the nation's power through at least 2020 and probably beyond.

The Bush Administration is proposing a new vision for research in clean coal technology. In setting the direction for new, competitively awarded clean coal research, development and demonstration efforts, greater emphasis will be placed on seeking the advice of industry in shaping the program. We intend to investigate the use of consortia of companies, an industry board, or other mechanisms that can enhance the private sector's participation in planning this initiative.

New clean coal technology efforts will target the power industry's top priorities in solving problems generic to the way coal is used to generate electric power. Industry will be required to share the costs of projects, with the level of private sector financing ranging from 20 percent for the earliest stages of research to at least 50 percent for larger scale demonstrations.

The program will also solicit participation by universities as well as government laboratories in a broad-based effort to apply the best minds and institutions to eliminate barriers to enhanced coal use. Successfully implemented elsewhere in DOE, industry-guided research will choose the most important projects based on industry-defined merit.

Northeast Home Heating Oil Reserve

The Reserve provides an important 2-million-barrel "safety cushion" for the millions of families in the Northeast that depend on affordable heating oil to stay warm in the winter. Currently, one million barrels are stored in New York Harbor and one million barrels are stored in New Haven, Connecticut. Three companies—Amerada Hess Corp., Morgan Stanley Capital Group, and Equiva Trading Company—store the oil at their terminals, rotate the oil to maintain DOE specifications, and manage the delivery of the heating oil in the event of an approved use of the reserve.

On March 6, 2001, I signed letters notifying Congress of the Administration's intent to establish the heating oil reserve on a permanent basis. DOE intends to exercise the optional 1-year extension clause in its current contracts for storage of the emergency heating oil.

The fiscal year 2002 budget continues operation of the Reserve with support for leasing commercial storage space, quality assurance, auditing, oil sampling and inspections.

OVERALL FOSSIL ENERGY RESEARCH AND DEVELOPMENT BUDGET

Our budget request for Fossil Energy R&D is $449.0 million. Fossil fuels—coal, oil and natural gas—supply 85 percent of the nation's total energy, nearly three-fourths of its electricity, and almost 100 percent of its transportation fuels. The President's energy policy task force is examining a wide range of options to achieve the full potential of these fuels while safeguarding our environment. Recognizing this, our fiscal year 2002 budget strikes a balance by focusing primarily on those areas where federal involvement is most critical.

Fuels and Power R&D.—Within the $159.8 million budget request, we have concentrated our efforts on research that will:

—directly support the Clean Coal Power Initiative, both immediately and over the 10-year life of the President's clean coal commitment,

—provide new, more reliable power systems for the joint Fossil Energy/Energy Efficiency effort to develop distributed energy resource technologies (for the localized generation and use of power), and

—expand the menu of options for managing carbon gases by developing affordable carbon sequestration technologies.

Emission Controls for Existing Plants.—America has made remarkable progress in cleaning its air due largely to new technology. Coal use, for example, has doubled since the early 1970's but emissions of sulfur and nitrogen pollutants are down 70 percent and 45 percent, respectively. Yet, further challenges remain, especially in addressing emissions concerns and microscopic airborne particles. There may be opportunity for innovative, low cost technologies that address two or more pollutants simultaneously.

The Fossil Energy program is developing technologies that are intended to achieve future emission limits at costs far below what industry would pass on to consumers using today's technology. This is particularly important as support grows for an integrated emission reduction strategy that would sharply reduce key pollutants in exchange for long-term regulatory certainty.

Our fiscal year 2002 budget contains $18.0 million for these efforts. This is a slight decrease from the fiscal year 2001 level of $20.1 million reflecting the elimination of a program aimed at optimizing performance of coal-fired power plants in other countries.

Vision 21.—Vision 21 is the core of our long-range power research program. It draws from several budget areas, including: gasification combined cycle, pressurized fluidized bed combustion, fuel cells, and advanced research (the latter involving new materials research and advancements in supercomputing modeling and simulation).

Through this program, we believe it is possible to develop a new type of power facility that will virtually eliminate environmental concerns over the future use of fossil fuels.

A Vision 21 plant would be fueled by coal, or natural gas, or perhaps biomass or municipal waste. It would emit virtually none of today's air pollutants and produce no harmful solid or liquid wastes. This extraordinary achievement could ensure that America—and other countries—benefit from the full potential of their available energy resources without compromising environmental goals. A complete Vision 21 prototype is 10 to 15 years into the future, but many of the critical technology modules are already taking shape, and some are likely to be adopted by industry in the next few years.

In fiscal year 2002, we propose to fund Vision 21-related efforts at $37.5 million. The request is about $14.0 million below the fiscal year 2001 budget due primarily to completion of advanced turbine systems research and the redirection of funds from the indirectly-fired cycle program (this combustion technology is being refocused toward developing combustion/gasification hybrid systems under the Integrated Gasification Combined Cycle budget).

Carbon Sequestration.—The Administration recognizes the importance of continuing to develop lower cost options for reducing the buildup of greenhouse gases. Voluntary emission reductions, for example, could become much more attractive if low-cost carbon management options result in commercial benefits—for example, injecting carbon dioxide from power plants into oil fields or coal seams to produce marketable crude oil or natural gas. If more emission reductions are needed in the future, research must be conducted now so that lower cost sequestration options are available. In fiscal year 2002, we propose to increase funding for carbon sequestration research to $20.7 million, a 10 percent increase that will enable the first limited field tests for the most promising approaches.

Fuel Cells.—Our research into fuel cells focuses on lower-cost, high performance units that can provide localized power supplies for factories, hospitals, military installations, and other distributed power applications. (The complementary program underway in the Office of Energy Efficiency is developing fuel cells for vehicular and home use.) At modular scales of 5-kilowatts to 1-megawatt or more, the advanced fuel cells we are developing could be in growing demand as businesses and factories look for more reliable ways to generate premium-quality electric power onsite.

A high priority in this program will be to begin completing efforts that represent more than 20 years of development and are within 1 to 2 years of achieving their objectives. We will also allocate a smaller portion of the budget to the much longer-range future of fuel cells. The focus will be to co-fund competitively selected industrial teams that will develop new types of all-solid-state fuel cells that can break through the cost barrier currently limiting widespread market acceptance.

The fiscal year 2002 budget request for fuel cells is $45.1 million, a decrease of $7.5 million from the fiscal year 2001 level that reflects a shift from generic research to the development of a low cost five-kilowatt solid state fuel cell.

Fuels R&D.—In fiscal year 2002, the $7.0 million budget request will support research to reduce the cost and broaden the range of feedstocks that can be processed into clean transportation fuels suitable for tomorrow's high-fuel-efficiency vehicles. Funding is requested for the continued development of improved ceramic membranes for producing synthesis gas that can be chemically recombined into a variety

of clean liquid fuels. A small portion of this budget will also be used to support a university-industry consortium that is developing ways to use coal to produce high-value carbon products.

The Department does not propose to continue funding for developing new fuel processing approaches for producing ultra low-sulfur diesel and gasoline. The President has decided not to relax the requirements for cleaner automotive fuels. Industry now understands the need to meet the new standards, and this will create an incentive for private sector research into cleaner fuels.

Petroleum and Natural Gas R&D.—The United States has experienced a decline in its domestic oil production for most of the past 30 years, yet huge quantities of crude oil remain. In fact, nearly two-thirds of all the oil found in the history of the United States remains unproduced, and much of it is beyond the capabilities of today's petroleum industry. There is the need for access to better technology and for validating that improved technologies will perform as expected.

These smaller companies now account for 40 percent of the oil produced in the United States and almost two-thirds of the natural gas. They account for 85 percent of new domestic drilling. The Department will continue to fund efforts that will encourage these smaller domestic producers to adopt optimum technologies that can find and produce oil and natural gas that might otherwise be left in the ground.

The overall funding for Petroleum & Natural Gas R&D reflects a significant decline compared to the current level of effort. This will require the program to be reoriented toward three primary objectives:

—A concentrated effort to transfer improved technologies and "best practices" to the nation's smaller independent firms in the very near-term—the next 1 to 5 years—and to lower the cost of environmental protection through a combination of risk assessments, technology development, regulatory streamlining, impact analysis, and improved federal-state-local coordination;

—Much longer-term research—10 or 15 years into the future—to develop technologies that could locate and produce oil and gas that are beyond the reach of current technologies or those that industry is developing; and

—Efforts to enhance the reliability and deliverability of the Nation's natural gas pipelines and gas storage facilities.

The fiscal year 2002 request for Petroleum and Natural Gas R&D is $51.5 million.

Other Fossil Energy R&D.—Among the other Fossil Energy research and development efforts in the fiscal year 2002 budget are (1) $5.2 million to continue advanced metallurgical activities at the Albany (OR) Research Center, including efforts that are helping to develop better materials for the Vision 21 concept, and to study new carbon sequestration approaches; (2) $9.5 million for corrective actions at Fossil Energy R&D facilities to meet environmental, health and safety requirements and for other locations where environmental remediation is necessary; and (3) $1.0 million for regulatory activities involving natural gas imports and exports, exports of electricity, and authorizing Presidential permit applications from the private sector for constructing and operating electric transmission lines that cross U.S. borders with Mexico and Canada.

PETROLEUM RESERVES

Strategic Petroleum Reserve.—The Strategic Petroleum Reserve provides the United States with strategic and economic protection against disruptions in oil supplies. The fiscal year 2002 budget request of $169.0 million will maintain the Reserve's readiness to respond to a Presidential directive in the event of an energy emergency. During fiscal year 2001, the inventory of 561 million barrels will provide 53 days of net import protection. By fiscal year 2002, with the receipt of crude oil returned in the 2000 exchange initiative and all royalty-in-kind oil, the Reserve inventory is projected to grow to more than 591 million, its historical highest level. Even with the increase in inventory, the days of import protection are projected to increase only slightly, to 55 days, because of the continuing rise in oil imports.

Recently, the Energy Department renegotiated the delivery dates for 23.8 million of the 30 million barrels of crude oil released in last year's exchange initiative. Under the original agreements, companies would return 31.35 million barrels later this year—the additional 1.35 million representing a premium in returning for obtaining crude oil when inventories were tight last year. Now, under the renegotiated contracts, which defer deliveries until December 2001 through January 2003, the Strategic Reserve will be replenished with 33.54 million barrels—2.4 million more than originally anticipated. It may also be possible that delivery dates will be renegotiated for at least some of the oil currently scheduled to be returned this year, further adding to the emergency crude oil inventory at no additional cost to the taxpayer.

In fiscal year 2002, $3.0 million is included in the budget request to begin dealing with a recurrence of gas buildup in the Reserve's crude oil.

Naval Petroleum Reserves.—The $17.4 million budget request will permit continued operations of the NPR–3 (Teapot Dome) stripper well field in Wyoming and activities associated with the co-located Rocky Mountain Oilfield Testing Center.

Elk Hills School Lands Fund.—The National Defense Authorization Act for fiscal year 1996, Public Law 104–106, authorized the settlement of longstanding "school lands" claims to certain Elk Hills lands by the State of California. The Settlement Agreement between the Department and the State, dated October 11, 1996, provides for payment of nine percent of the net sales proceeds generated from the divestment of the government's interest in Elk Hills, subject to the appropriation of funds. Under the terms of the Act, a contingency fund containing nine percent of the net proceeds of sale has been established in the U.S. Treasury and is reserved for payment to the State, subject to the appropriation of funds.

The first installment payment was appropriated in fiscal year 1999. No appropriation was provided in fiscal year 2000, and the fiscal year 2000 Interior and Related Agencies Appropriations Act provided an advance appropriation of $36.0 million to become available in fiscal year 2001.

The fiscal year 2001 Interior and Related Agencies Appropriations Act provided an advance appropriation of $36 million to become available in fiscal year 2002 that, consistent with the budgetary treatment of other advance appropriations in the budget, would not be counted as discretionary funding for fiscal year 2002 but would still be available next year. The fiscal year 2002 budget requests $36.0 million in additional new budget authority for fiscal year 2002. Thus, the budget proposes that a total of $72.0 million be available for this purpose in fiscal year 2002.

ENERGY CONSERVATION PRIORITIES

The fiscal year 2002 budget for the Office of Energy Efficiency and Renewable Energy (EERE) incorporates: concern for our low-income citizens—we have doubled our Weatherization Assistance Program; improved energy security—we are refocusing our transportation programs, particularly the Partnership for a New Generation of Vehicle; and energy reliability—ensuring grid reliability and advancing small-scale, on-site power generation through Distributed Energy Resource programs. This budget redirects our energy efficiency resources to benefit consumers, with emphasis on those least able to afford the high cost of energy. To do this, cuts are made to programs where industry and others can step in—sharing costs or pursuing research independently.

Weatherization Grants

Household energy needs consume a disproportionate share of expenses in low-income households. The Department's Weatherization Assistance Program reduces the heating and cooling costs for low-income families—particularly households that include the elderly, persons with disabilities, and children. To help correct the heavy energy burden faced by low-income Americans, the Administration proposes to increase the Weatherization Assistance Program in fiscal year 2002 to $273.0 million, an increase of $120.3 million above current levels.

The funding level of $273.0 million will weatherize approximately 123,000 low-income homes plus 108,000 additional homes with other leveraged Federal resources, such as Low Income Home Energy Assistant Program funds, and State and Utility funds, saving $2.10 in energy costs for every dollar invested over the life of the energy efficiency measures. In order to ensure the necessary expansion of the Weatherization network's production capacity, enabling it to deliver services to many more low-income households over the ten-year period beginning in fiscal year 2002, the program will work with the stakeholders to ensure investment in such essential elements as equipment and training for additional crews, and to test improved implementation approaches for the Weatherization Program. This year's budget marks the beginning of a 10-year commitment to increase funding for the Weatherization Assistance Program by $1.4 billion.

Transportation Programs

The Partnership for a New Generation of Vehicles (PNGV) program involves companies in my native State of Michigan, and I supported it when I was a Senator. While developing the fiscal year 2002 budget, together with our automotive partners, we reviewed PNGV and agreed the program needed to be redesigned toward solving today's problems.

The current popularity of the sports utility vehicle raised questions about one of the basic premises under which the PNGV program was initiated. When PNGV began in 1993, it was directed at building only one type of automobile—the mid-

sized sedan. Today, we believe greater benefit could be achieved by developing energy-efficient components that can be adapted for use in several models throughout our fleet of vehicles. That is principally why in the fiscal year 2002 budget we are reformulating and streamlining the PNGV program—to make it more flexible for automakers, of greater benefit to the taxpayer, and more realistic in the face of today's diverse challenges.

A new PNGV approach can help Detroit with promising, longer-term technologies that will produce a range of cleaner, more efficient vehicles. The Administration will offer a budget amendment to support this new PNGV program at $100 million.

The 21st Century Truck Program is a relatively new multi-agency partnership with sixteen companies from the truck manufacturing and supplier industries and is aimed at developing technologies needed to produce trucks and buses with higher fuel economy, reduced emissions, and improved safety. The Department of Energy has been a leader in planning and research related to this effort. The partnership is proceeding well, with over 65 scientists and engineers from industry and government having completed an extensive technical plan that will guide the development and implementation of this program. Our fiscal year 2002 budget contains $70.6 million for this program.

Distributed Energy Resources

Over the next two decades, industrial, commercial, institutional and residential customers will be able to choose from a diverse array of ultra-high efficiency, ultra-low emission, fuel flexible, and cost-competitive distributed energy resource products and services. These will be interconnected into the nation's infrastructure for electricity, natural gas, and renewable energy resources. Distributed Energy Resources—the localized generation and use of power—can greatly enhance reliability and power quality and provide a strategic alternative to new transmission lines as we replace the aging electricity and natural gas infrastructure in the United States. This is critical to new industry growth, including the high technology e-commerce needs for up to 100 times the power density and 10,000 times the power quality and reliability requirements of standard buildings. The Distributed Energy Resources program, which is shared with the Office of Fossil Energy, supports research and development on thermal, electrical, and mechanical power technologies and provides crosscutting assistance to the commercial, residential (rural and urban), utility, and industrial sectors.

The programs called for in this budget address many challenges that today inhibit the widespread adoption of distributed energy resources. System related barriers include limitations in efficiency, emissions and cost problems, and systems that are not flexible for remote control, smart control, and system optimization. Near-term market and institutional barriers include a lack of interconnection standards, lack of new technology building and fire codes, and a need for consistent siting and permitting rules. Energy Efficiency program funding for this activity remains constant at $47.3 million.

OVERALL ENERGY EFFICIENCY BUDGET REQUEST

The Energy Efficiency programs funded by this Subcommittee work to reduce energy use in buildings, in the industrial sector, by vehicles, in power generation, and in federal facilities—all while increasing long-term economic growth. The fiscal year 2002 budget requests $795.0 million for the Department's Energy Conservation programs. Shortly, a budget amendment will be forwarded by the Administration to reflect proposed changes in the Partnership for a New Generation Vehicle (PNGV).

Building Efficiency Improvements.—In the U.S., buildings account for more than one-third of the annual energy consumption and use two-thirds of all electricity generated. Americans spend approximately $240.0 billion per year to heat, cool, light, and run equipment and appliances in residential and commercial buildings. The Office of Building Technology, State, and Community Programs, in partnership with industry, develops, promotes, and integrates energy technologies and practices to make buildings more efficient and affordable. Our fiscal year 2002 budget request is $367.1 million and contains funds for Buildings Research and Standards, $30.6 million; Building Technology Assistance, $321.5 million, including the Weatherization Assistance Program at $273.0 million and the State Energy Program at $38.0 million; the Community Energy Program, $8.5 million; and the Energy Star Program, $2.0 million.

Improving Our Transportation Efficiency.—Transportation today accounts for 67 percent of the nation's oil use, and our vehicles remain 95 percent dependent on a single fuel—petroleum. Transportation's need for oil has brought our country to the point that it uses 4.7 million more barrels of oil per day—just for cars and trucks—than it produces. Imports, which account for more than 52 percent of our consump-

tion, are at an all-time high and currently add an estimated $100 million per year to our balance of payments deficit. Working with partners in industry, research organizations, State governments, and other Federal agencies, the Department's Office of Transportation Technologies programs support research, development, and deployment programs which will reduce oil consumption by achieving: (1) significant improvements in vehicle fuel economy; and (2) displacement of oil by other fuels which are domestic, clean, and cost-competitive. For our transportation programs, we are requesting $239.4 million in fiscal year 2002. Programs include Vehicle Technologies R&D, $154.1 million; Fuels Utilization R&D, $23.5 million; Materials Technologies, $41.3 million; and Technology Deployment, $10.2 million.

Industrial Technologies.—Industry today accounts for 38 percent of all U.S. energy use. Moreover, just nine industries B agriculture, aluminum, chemicals, forest products, glass, metal casting, mining, and steel B account for 27 percent of all U.S. energy use. These industries ship $1 trillion in products annually, employ over 3 million people, and generate four additional jobs in the economy for each manufacturing job. The Office of Industrial Technologies partners with key energy-intensive industries to develop and apply advanced technologies and practices that reduce energy consumption, maintain and create jobs, boost productivity, and significantly improve the competitiveness of the United States. In fiscal year 2002, we are requesting $46.4 million for Industries of the Future (specific); $31.9 million for Industries of the Future (crosscutting); and $9.4 million for management and planning. The fiscal year 2002 request for Industry programs reflects a shift to areas with greater potential for industry participation.

Federal Energy Management (FEMP).—As the nation's largest energy consumer, the Federal government can lead the nation in becoming a cleaner, more efficient energy consumer. In 1999, the Federal government spent almost $8 billion to provide energy to its buildings, vehicles, and operations. Over 40 percent of the government's energy bill is spent on heating, cooling, and powering its 500,000 buildings. The Office of Federal Energy Management Programs reduces Federal energy costs by advancing energy efficiency and water conservation, promoting the use of renewable energy, and managing utility costs in Federal facilities and operations, including those of the Department of Energy. The FEMP program facilitates alternative financing, bringing private resources to bear on the up-front investment needed to make efficiency and conservation improvements at federal facilities. The program also provides technical assistance to help federal facility managers better address their energy needs. In fiscal year 2002, we are requesting $13.3 million for FEMP.

ENERGY INFORMATION ADMINISTRATION

For the Energy Information Administration (EIA), we are requesting $75.5 million for ongoing data and analysis activities and critical data quality enhancements. EIA's base program includes the maintenance of a comprehensive energy database; the dissemination of energy data and analyses to a wide variety of customers in the public and private sectors; the maintenance of the National Energy Modeling System for mid-term energy markets analysis and forecasting; and the maintenance of the Short-Term Integrated Forecasting System for near-term energy market analysis and forecasting

In fiscal year 2002, EIA will focus on three multi-year initiatives. They are: (1) redesigning the 20-year old energy consumption surveys to update the survey frames, sampling design, and data systems, and realign them with the information on residential and commercial buildings populations resulting from the 2000 census; (2) revising EIA's natural gas and electricity surveys and data systems to reflect changes in these restructured energy industries; and (3) addressing critical petroleum and natural gas data quality issues to facilitate EIA's ability to collect and disseminate reliable and accurate energy data needed to assist the Administration and Congress in making informed energy policy decisions.

ECONOMIC REGULATION

The fiscal year 2002 budget request of $2.0 million is for refund application processing and for related activities arising from the regulatory program initiated under the Emergency Petroleum Allocation Act of 1973. Excess funds from refund processing are transferred to the Treasury.

CONCLUSION

Mr. Chairman, and members of the Subcommittee, that concludes my prepared statement. I will be glad to answer any questions you may have at this time.

Senator BURNS. Thank you, Mr. Secretary, and we have about 7 minutes remaining on this vote. You can rest now——

Secretary ABRAHAM. All right.

Senator BURNS [continuing]. And we have two votes, two stacked votes. We will all go vote, and I will just recess this committee and take care of those two votes, then we will be right back and get into the question and answer session. Thank you very much. We appreciate your consideration.

We will call the committee back to order.

Mr. Secretary, I must apologize that the Senate is not any more well-behaved than it was when you were a Member of it.

Secretary ABRAHAM. So blaming me all those years——

Senator BURNS. I am sorry it takes 35 minutes on a 15-minute vote and 16 minutes on a 10-minute vote, so I must apologize for that.

EARMARKS

Last year, Mr. Secretary—and the ranking member will be along momentarily, because I know you have got other things to do and so do we. Last year, Senator Gorton and Senator Stevens and Senator Byrd and I sharply criticized your predecessor for withholding the allocation of funds appropriated by this committee for specific purposes and specific projects. Can I have your commitment that once the President has signed this appropriations bill, that you will move as swiftly as possible to allocate and obligate the funds provided for the purposes laid out in this bill and our committee reports.

Secretary ABRAHAM. We will do that. We actually, as you know, I have directed the Department to move forward with respect to previous congressionally directed appropriations, and I believe we have acted with respect to 1999 and 2000 approps, and are moving to do the same with respect to those in this fiscal year, although obviously there are some time considerations this year that we are part-way through, but we will work with the committee.

Senator BURNS. I think what frustrates a lot of us up here on the Hill is that we get an agreement with the administration, and then those agreements kind of go by the wayside after the President finally signs the bill.

Under the last administration, it seems EPA regulations were often not consistent with the goals of R&D programs supported by the Department of Energy and their funds. I was heartened by the meetings we have had with Ann Veneman, the Secretary of Agriculture, and the Director at EPA, because the two of them have sat down and are talking, because we have certain things going on in agriculture that has a lot to do with the EPA.

I would like to hear from you if you are willing to sit down with other Departments such as the Director of EPA, Ms. Whitman, and to iron out some of your differences in policy direction. I think you understand the demands of energy for this country, and the environmental rules that may impede development. Hopefully we can then get more cooperation between the EPA and your Department.

Secretary ABRAHAM. Senator, we actually have been trying to proceed along that very approach since we took office. One of the arguments that supported the President's decision to create an En-

ergy Policy Development Task Force, made up of a variety of members of the Cabinet, was the need to have an interdepartmental look at these issues, because we recognize that while the Department of Energy would have a lot of priorities with respect to generating new sources, that the Environmental Protection Agency or the Department of Interior had ultimate authority with regard to either regulations or the availability and use of public lands or whatever issue might come up.

So we have already begun that, and that is what this Energy Policy Task Force has been created for, and I would just indicate, Governor Whitman and I have worked together on a variety of different issues over the years in her previous role, and in addition to the work we do on the task force together have been working together on other matters where the Department of Energy and the Environmental Protection Agency policies converge.

Senator BURNS. Well, right now I think the most important thing that you have got on your plate is the dialogue between Secretary Norton and Director Whitman and yourself in these agencies on how we can coordinate and move this country forward. I would also point out there was a report recently released by the Coal Council saying that over 40,000 megawatts of power can be available in retrofitting or upgrading existing coal powered generation plants.

They do not do it because of the EPA's rules on new source review. I think this is an example where you have got to develop a dialogue with the EPA. If we have a shortage of power, but we still have a credibility problem with the people who generate it, then I think we should investigate ways that we can increase the output or the efficiency of existing coal-powered plants.

I am a big proponent of coal, because we have a lot of it in Montana, much of it compliant coal, that we could use to get our electricity rates back into an acceptable range. We are going to have to use this resource, because that is where over 50 percent of our production is, from coal-powered generation.

Now, the Energy Policy Task Force, being led by Vice President Cheney, will soon announce its recommendations within the next few weeks. These recommendations will play an important role in shaping the energy-related legislation moving through Congress, including this appropriations bill. Are you confident that right now you are on the same track as the recommendations that will be forthcoming from this task force?

Secretary ABRAHAM. Do you mean with respect to our budget?

Senator BURNS. Yes.

Secretary ABRAHAM. I am, and the point that was made in the questions, and the earlier statements that were made, was a comment on the text of my written submission here today that we felt this was a prudent transition budget, and the point I attempted to make in using that expression was simply this. When we took office, the budget process was well-advanced, and the timetable for preparing a budget was very constrained.

We attempted, as best we could, recognizing that the Cheney task force recommendations could conceivably drive new priorities, or adjust existing ones, we tried to put together a budget that gave us as much flexibility as we felt we needed to address priorities that emerged from the task force while still moving ahead with

what we thought were the core competencies of the different programs within the Department and, to the extent we already knew them, the President's priorities.

We knew he had placed the priority on clean coal technology, it is reflected in the budget, that he had a priority for introducing weatherization support, it is in the budget, and what we tried to do in the other areas is to not anticipate the results of the Cheney task force, but to try to maintain the core competencies of the various areas subject to the recommendations, that might therefore result in changes in terms of budget emphasis.

FOSSIL ENERGY R&D BUDGET

Senator BURNS. In terms of the priorities, Mr. Secretary, the current administration request for fossil energy research and development total was $448.8 million. Last year, we provided a total of $545.2 million in the same programs. These programs include research and development to increase turbine efficiency of our power plants, reduce admissions, and recover natural gas and oil in an environmentally sensitive manner.

Considering the situation that we are in, of extreme supply-demand pressures on fossil fuels and transportation, electricity generation, how can you justify this severe reduction in the types of research that will allow us to address our Nation's growing energy needs in a responsible manner?

Secretary ABRAHAM. Mr. Chairman, the submission for this year, as I indicated earlier, is actually larger than the submission that was made to this committee by the previous administration for last year in this area. Some things changed subsequent to that submission that caused the final appropriation level to be higher to the amount that you indicated, approximately $545 million.

One of the factors that differentiates our situation from that of a year ago is that I believe we were somewhere in the vicinity of $132 million of rescission dollars that were available to be used in this budget. That is money that was available from the previous year, that I do not have the benefit of being able to apply in this budget that we have submitted here.

I would also point out that with regard to one of the line items that is included in the 2001 appropriation, that is, the power plant initiative, which is I think at about $95 million, that there is, in fact, a triggering mechanism whereby the actual release of those moneys and their expenditure for the most part is actually going to occur in the year 2002 fiscal year. As a consequence—not that that is not money that is in the 2001 budget, but it is largely going to be money that is going to be spent in 2002—I do not consider our appropriation request to be deficient, for those two reasons.

However, I would return to the point that I made earlier. We did make some decisions with regard to priorities. One of them was the priority of the clean coal technology investment that the President recommended during his campaign, and which is reflected here in terms of an initial $150 million down payment towards a $2 billion 10-year commitment.

To accommodate that, we have moved some resources within the finite amount that we had available from some of the research and development programs, those that relate to oil and gas, and some

of the others as well, the power and fuels area. We believe that the industries that benefit from these technologies are in a much stronger position today than they have been in a long time, to be greater participants in funding this sort of research, and I would say that with due respect to the industries, but in areas like natural gas and areas like power systems and so on, we are talking about an era in which profits are up, in which prices are up, in which we believe that the cost-share that the industry participates at should be greater, and we intend to try to examine that issue.

Now, some would say without Government, none of this research will go on. I question that in some of these areas, because I think the interests of the industries themselves are so great, and their position financially is strong enough now to make up those differences, and that is something we will have time to explore.

Senator BURNS. Well, I was looking here at some numbers that were not matching up. Of course if the $95 million's to be spent in 2002, as you said, you are still requesting another $150 million on top of that. Can we assume that that will be spent in the year of 2002 also?

Secretary ABRAHAM. Well, that is our plan. We have just begun the process of seeking bids, if you would, for the expenditure of the first $95 million. That process has begun. We have been quite gratified by the amount of response we have received. In fact, there will be no trouble finding partners to share in the research that the $95 million will trigger. In fact, we have already received well over $95 million, more than enough, should we choose to fund all the projects that have come in, so not just spend that initial power plant initiative $95 million, but also the $150 million that we propose could be added on.

FUEL CELL TECHNOLOGY

Senator BURNS. Let us talk about an area where there was a significant cutback, and an area also that I think has significant support in this committee and in this Senate, fuel cell technology. I happen to believe that we have great opportunities there, because I have worked very hard in the last 4, 5, 6 years—well, maybe going all the way back to 1991, in the development of fuel cells, and watched their development both in this country and abroad.

As a result, Montana has received funding for multiple DOE projects propelling fuel cell research forward, and we live in a State where we have all of the elements to work with when we talk about fuel cell development. I happen to think that from an environmental standpoint, and in areas where we know that we have distribution problems, fuel cells will be the answer of the future.

Despite the proposed cuts in the fuel cell program, I am sure you understand the potential of this technology, and what it holds. I need your assurance that you are as dedicated to fuel cell technology and R&D work as this Congress is.

Secretary ABRAHAM. Mr. Chairman, we are, and I would just note that the cumulative commitment with respect to fuel cell technology is approximately $92 million in the total budget, if you add those which fall into the category of energy efficiency programs in transportation sector and so on, along with those that fall within the fossil energy share, the distributed generation system share of

the budget, and the fact is that that is a number, as you acknowledge, that is lower in the fossil side by about $7 million from last year.

It is my understanding that this is largely a reflection of the fact that we completed the demonstration of the 250-kilowatt molten carbonate fuel cell power plant system program, which as I understand it, the completion of which is the reason that there is a slightly lower amount. In fact, in that category the reduction that that brought about was about $19 million, so in fact we overall are committed in our judgment at least as much as before.

But if I could just expand briefly, not only do I share the views that I do recognize are widely held by the Members of the Senate and Congress, but we view the investments in this area, in the areas that relate to the distributed generation systems and distributed energy investments in hydrogen research, to be ones that have a tremendous amount of promise in terms of alternative energy approaches, and so it is a commitment that is reflected if you look at the renewable side of the Department budget, and it is a commitment that is reflected here. We really see that as the future.

We believe that a lot of the research has matured in some of the other areas which we focused on in the areas like wind and solar and others, that these are areas that need more commitment, and we intend to provide it.

Senator BURNS. Well, we are very interested in it in Montana, but I would say that we get the feeling every now and then that maybe some of the research has kind of run its course, and maybe we ought to take off in another direction, but we do not believe that is the case in fuel cell research.

Secretary ABRAHAM. We do not, either.

POWER SYSTEMS

Senator BURNS. So we think that is a very important situation.

However, over in fossil energy, in power systems, in the power systems where you have had severe cutbacks this time, is it your feeling that most of those programs have been completed and need to be phased out?

Secretary ABRAHAM. Well, you know, we have analyzed them on a program by program basis, obviously, and I will give one example in the fuel and power system area. As I said, there are sort of two thoughts that have governed this process. One is the question of whether we believe that the private sector participation level could be increased, and I happen to think that—you know, one of the issues that we raised during opening statements here, and is in the ongoing discussions of energy, is the question of, or the concerns—people say, well, the companies involved are doing very well, and somehow we need to investigate.

Maybe we should, maybe we should not, but we do know that energy companies are in a position right now, I think, to make some of these investments at a greater participation level than they have, and we are going to explore that, but there is also—we tried to analyze some of the programs more specifically. One area where in the power systems there is a zeroing out is the turbines.

Senator BURNS. We noticed that.

TURBINES

Secretary ABRAHAM. And what I will tell you is this. We worked in the Department on major R&D commitments over a period of time on a $400-megawatt utility scale turbines, big turbines, those that provide major, major energy production, but that work is finished. The product, or the science and the research program ended, and so right off the bat we would not continue something that was now a completed project.

The question became whether or not to launch a new initiative with respect to research and development in terms of turbines technology in the area of mid-size turbines. These would be smaller turbines. They can move round and about. These would be in the 40-megawatt kind of area of generation, up to 100, or even some would say 200.

What I found interesting in considering this line of items is an experience I had right after I became named—actually became Secretary. I heard from General Electric Company that they had a demand that has a 5-year backlog in terms of the production of these very types of turbines.

What they contacted me to inquire about is whether or not there was any way that perhaps some of these that are coming off the production line soon could be made available for California's energy shortages this summer. Not that we could just order that, obviously people had already paid for those, but to perhaps let California know that such turbines were out there, perhaps see if some of the people in line ahead of California would consider changing places.

But the thing that became clear to me is that this is technology that is already out there, that the expenditure of a large amount of taxpayer money at this point, before I could analyze further that there needed to be additional investigation and research and development in this area, was not really justified.

To put $30 million more dollars in, to be able to say well, we are keeping it steady, when it would seem that the product of that work might already be available, and where there was such a large market for it that they have 5-year backlog, and I guess Westinghouse has a similar kind of a system available, that it sounded like plenty of incentives already existed to generate and bring to market these kinds of generation, these sources of generation, and probably a lot of incentive to improve them and make them more efficient simply because of the backlog.

So that is the kind of decisionmaking we did.

Senator BURNS. The same would be true of oil and gas and coal fuels, because you have got an 83-percent cut there.

Secretary ABRAHAM. Well, again, you know, some of these are questions with respect to markets.

Senator BURNS. Most of that is transportation fuels, you know.

Secretary ABRAHAM. Right, and again, obviously, I make no statement here that suggests that there cannot be differences of opinion as to what the emphasis should be. In the fossil energy program we have increased, with $150 million, our commitment to clean coal technology. Some worry about the fact that to make that kind of increase we have moved resources from other areas.

We actually felt that the incentives for technology advances in the area of oil and natural gas right now in the private sector were greater than they had been in a long time, and that the rationale for Government stepping in and taking as big a role as it had previously taken to fund that sort of research had diminished.

You know, I say this against the backdrop of being inundated by calls from Governors, Members of Congress and others concerned about the high gas prices, high natural gas prices, high prices at the gasoline stations people are paying, and the so-called record profits companies are making. I am not suggesting—I believe the companies are, you know, in a position to basically do a little more in terms of this research because we are now in a different period.

A few years ago, the price, as you know, of oil, the price was much lower, natural gas was much lower. The incentives to engage in this kind of technology in our opinion were far greater, and that is why Congress made the kinds of investments it did, but I question whether we need to keep funding at that level, given the incentives that I think are available in the private sector, given the profit margins and the prices today.

That is the choice we made, and again I can understand that people would have a different perspective on it, but we thought that moving more into clean coal technology right now, in light of the, as you indicated earlier the situation that exists with respect to the potential reserves there, the questions that we confront with regard to the ability of maintaining, producing the coal in a sufficiently clean way to be able to take advantage of the 250-year reserve, warranted that kind of priority.

NORTH AMERICAN ENERGY COOPERATION

Senator BURNS. I just think that we have—I am going to ask one question, and then I am going to—and I have taken up way too much of your time already, but President Bush recently held meetings with two North American leaders, Vincente Fox of Mexico and Jean Chretien of Canada, to discuss energy development in cooperation between our two countries. Did you go to Quebec City, Mr. Secretary?

Secretary ABRAHAM. I did not participate.

Senator BURNS. Do you believe that the oil and gas exploration and the shipments from outside nations will serve as a viable solution to some of our energy problems we are experiencing here?

Secretary ABRAHAM. I believe, and I think the President has taken very positive steps, and I believe that we can expand our hemispheric energy cooperation activities. I recently had the chance to represent our country at the Hemispheric Energy Ministers Conference that took place in March in Mexico City, and we had I thought a very positive set of meetings there on a variety of fronts, and if you will give me a minute or two, I would just like to highlight a couple of the positive developments.

On the one hand, within our North American energy community, my counterparts, the energy ministers of Mexico and Canada and I met on a trilateral basis and have agreed to launch a North American energy initiative, or framework, to work together to see how we can, in a cooperative sense, maximize opportunities in our North American subcontinent.

There are a lot of options, and we are looking at them through a working group that will be meeting in Washington in June, but the kinds of things we are looking at is where greater interconnectivity could provide for more export and import potential.

For example, California's energy problem in electricity is aggravated by an infrastructure limitation right now that prohibits California from importing more than a small amount of electricity from Mexico.

When I was in Mexico I met with both the electricity and the energy minister in Mexico and ask if they could increase their supply to California from their Baja California power facilities, and they indicated they could increase by about 50 to 100 megawatts by the summer, and then by maybe as many as 500 or more megawatts by the fall. The problem is that on our side of the border, we can only at total move 408 megawatts from the border to San Diego.

So working on those kinds of shared problems is one thing that came out of that conference, and another is that there is considerable interest in Mexico and other countries in South America to promote a much higher level of private investment in terms of the development of potential reserves, natural gas in particular, which was one full day of our conference was devoted to how to bring more private investment into countries where that has not always been culturally or even legally the tradition.

So I see a great opportunity to answer your question, and we intend to work closely with our neighbors in the hemisphere.

Senator BURNS. Well, I think it is very important, and when we consider that 95 percent of the power generation that is on the drawing board right now is powered by natural gas, I think we are going to have to have our gas lines and what we use out of Canada and Mexico in natural gas is going to be very, very important.

We do have a difference in our priorities, and as we move through this thing we will be in discussions with you and your staff, Mr. Secretary, to iron out those differences. Now I would move to my good friend from West Virginia, Senator Byrd.

Senator BYRD. Mr. Secretary, I want to beg the chair's pardon and yours for being tardy, but I voted twice on this last vote. I voted, and then I came back over here and was told that my vote had not been recorded, so I had to go back and cast that vote. That makes 15,959 votes that I have cast in the 43 years I have been in the Senate, a roll call attendance record of 98.7 percent.

Senator BURNS. Have all of them been good?

Senator BYRD. No. There are a few I have regretted.

As I examine your budget request, Mr. Secretary, and try to square it with the rhetoric that I hear coming from the administration, frankly, I am more than just a little bit perplexed. Last week, the Vice President was in Toronto to preview your energy policy, and the Vice President said, and I quote, the technologies are proving that we can save energy without sacrificing our standard of living, and we are going to encourage it in every way possible. That is a very good sound bite, but the budget figures do not mesh with the Vice President's statement.

I do applaud the administration's support, as I said earlier, for clean coal technologies. I started that program in 1985 with a $750

million authorization, and since then, through my Appropriations Committee, we have appropriated $2.4 billion for that program, so I am a supporter of it without any question, but a national energy plan must have fuel diversity at its core. Your administration is proposing a 53-percent cut in natural gas reserves.

Let me have this chart over here. Put it over here.

Now, for coal and power systems, that is not including clean coal technology. Can you see it over there? The chart shows that in fiscal year 2001 there were $229,234,000 appropriated. In fiscal year 2002, there is being proposed $159,801,000. That is a reduction of $69,433,000, or 30 percent. That is coal and power systems. That excludes clean coal technology.

For natural gas technologies, fiscal year 2001, we enacted $45,029,000. For next year it is proposed $21 million, a reduction of $24,029,000, or 53 percent.

Oil technologies, fiscal year 2001, $66,874,000, fiscal year 2002, $30,499,000, a reduction of $36,375,000, or 54 percent.

Salaries and expenses, down 13 percent, other R&D, $29.2 million in fiscal year 2001, 2002, $17.7 million, a reduction of $151,463,000 total, R&D 40 percent reduction, and total, for all these categories, total reduction, 34 percent.

Now, let us look at clean coal technology, $95 million in fiscal year 2001, $150 million in 2002—we will all applaud that. That is an increase of $55 million, 58 percent, but note that for fiscal year 2002, clean coal technology is going to be $150 million. We are losing $150 million up here, so we are picking up $55 million in clean coal technology in 2002, if what has been requested is enacted, picking up $55 million more, while we are cutting back $151,463,000.

So in this budget request I do not see the Bush administration encouraging energy technologies in every way possible. On the contrary, I see a budget that discourages research into new, more efficient, more environmentally sound technologies. I see a budget with artificially set numbers that were designed to fit in a predetermined mold.

I do not think that this budget request is defensible in light of all the rhetoric coming from the other end of the avenue about new technologies and cleaner-burning fuel. Mr. Secretary, can we expect that the administration will soon submit a revised budget plan for the Department that more accurately reflects the costs associated with an overall national energy policy?

Secretary ABRAHAM. Senator, as you know, we are on the verge, probably within the next 10 days, of having the final results of the President's national energy plan presented to the country, to the Congress and the American people. All of the areas you have mentioned are areas which have been under serious scrutiny as part of the development of that plan, and it was our view that to begin, in areas where we did not feel we had a clear guidance, as I said in my opening comments, from the President in his campaign platform or in his initial comments after the Inaugural, where we did not have clear guidance, we have tried to retain the flexibility to move in the directions recommended by the policies that are advocated as part of the national energy plan, because I believe, and I know you do, that budgets should be driven by policy priorities,

and I expect that next week we will get a lot of clear guidance in terms of the policies that this administration seeks to establish as our energy priorities, and that, in turn, translates into, I suspect, significant budget ramifications.

What I cannot tell you today is whether or not that would take the form of any changes with regard to this year's budget in terms of any kind of resubmission, whether there might be a supplemental, whether there might be negotiations that would take place as just part of the normal appropriation process.

I can indicate to the committee, for certain that it will be reflected in our 2003 submission, because then we will have the full budget process in place, but as to how we might take those new priorities and shape them into any kinds of alteration of the budget submission here, which of the possible courses—I am not sure that it is ultimately a decision I would make, it is one OMB and the White House would make, but——

Senator BYRD. Well, I wish it were a decision you would make.

I do not go to lunch in the Senators' dining room, very seldom, once or twice a year. We have a special place there for Senators, a little room in which they eat. I never go there. I bring a sandwich. Sometimes it is a baloney sandwich. It may be peanut butter. I especially like peanut butter sandwiches, and above all I like crunchy peanut butter.

Now, you, in your position, are in a position of that sandwich. You have got the administration biting at you on one side, and you have got Senators like Robert Byrd on the other side, and you are going to get eaten if you are not careful. You are going to be cannibalized.

Let me ask specifically——

Secretary ABRAHAM. Well, I have noted a slight change in responsibility from being on that side of the table.

I cannot say that all the changes have been ones that are preferable.

Senator BYRD. Well, with so much focus placed on increasing the supply of fossil energy sources, I find it rather curious that the Bush administration wants to cut the Energy Department's research and development funds, as I have indicated, outside clean coal, by 34 percent from the fiscal year 2001 levels. To me, that is a shortsighted budget that fails to meet our Nation's long-term energy needs. How do you explain that?

We are beefing up clean coal technology, but we are cutting—we are helping to pay for that by taking money from fossil fuels energy research.

Secretary ABRAHAM. Well, let me talk about it on three levels, if I could, and just take a little extra time in this answer.

Senator BYRD. Not too much. Not too much.

Senator BURNS. He will miss his sandwich.

Secretary ABRAHAM. There are three issues I would note. The first one I have already indicated, which is that it is entirely possible that the budgets of the future certainly would reflect changes in terms of priorities that come about after the results of the task force are released.

Second, I would point out that we do have some constraints this year that did not exist last year, or at least that I have been con-

strained by. One of them, as I mentioned a few minutes ago before you were here, in answer to Senator Burns, is that last year we had, I think, about $132 to $136 million of rescissions that were available to be used in the fossil energy budget that I have not—there may be some additional dollars available this year, but they were not available to me in terms of preparing this submission. That constrained the latitude that we had in terms of program considerations.

But also, I do want to go back to a point I made before. There were some areas here where we made some decisions that continuing programs as they had been before was just not a warranted use of taxpayer money, and I mentioned before you arrived one area, the turbines area, where the work was completed on the large turbine program, and the question was, do we now enter into a major commitment—last year that commitment level was almost $31 million—with respect to mid-sized turbines.

Senator BYRD. Would you focus on clean coal technology——

Secretary ABRAHAM. Sure.

Senator BYRD [continuing]. What I asked the question about?

Secretary ABRAHAM. Well, I am sorry. I guess my understanding was that you wanted a sense of how we were committing to more fossil research and other research and yet cutting down the amount.

Is your question with regard to clean coal, then, how we arrived at this amount?

Senator BYRD. My question is, how do you square all this great rhetoric about where we are going in energy—and heaven knows, we have got a job to do with regard to energy, but I find that the clean coal technology program has increased, in keeping with the President's campaign promises while he was in West Virginia. If West Virginia had not gone for this President, if West Virginia had gone for Mr. Gore, Mr. Gore would be President today, and his Secretary of Energy would be sitting there.

Now, that is all well and good, and I talked with Mr. Bush about this on the plane. He had the courtesy and had the goodwill to invite me—me, a poor boy from down the sticks of west Virginia. I used to slop pigs, you know, gather up the scraps and feed the pigs, and I did not have any running water in the house. We did not have any bathroom in the house. We went outside to the toilet. You know, things have changed. It used to be that people ate on the inside of the house and went outside to the toilet. Now they eat on the outside and go inside to the toilet. Think about that.

Well, I am a—you people do not know anything about that. I lived in the Depression, you see, and when I married, 64 years ago, 3 weeks from today, I was making $75 a month. Can anybody in the office beat that, anybody in the audience beat that? If you can, raise your hand.

What I am saying is, the President was kind enough to invite me. I did not have anything when I was a boy. My dad was a coal miner. My wife's father was a coal miner. He invited me to go to West Virginia with him on a plane.

So you can see why I have got the big head, and on that trip I said to Mr. Bush, I said, Mr. President, you know I support your idea of increasing moneys for clean coal technology, but do not take

it away from fossil fuels research. I hear that that may be where the money is going to come from, part of it, and I wrote him a letter, handed him a letter saying that, do not take it from fossil fuels research, and lo and behold, that is exactly where a lot of it is coming from, fossil fuels research.

My question is to you, this is a short-sighted budget. Explain why you want to cut fossil fuels research in view of the energy problem that faces this country. Clean coal technology is fine. You are looking at the daddy of that program, the daddy, but fossil fuels research is also important. Why are we cutting that?

FOSSIL FUELS RESEARCH

Secretary ABRAHAM. Well, first of all, the President in the campaign and subsequently in conversations with you, as well as in conversations you and I had, has launched, as you know, a 10-year commitment, a $2 billion commitment to clean coal technology, and that was a commitment that was publicly made by the President, which you are supportive of, I know, and we will fulfill that commitment.

The question of how we will fund that commitment over 10 years is one that we will work at after the task force completes its work, in conjunction with other energy priorities, within this budget.

To answer your question as to reducing fossil research in other areas, here is the rationale. Again, within the finite dollars that we had to work with, we made some choices of priorities and we felt clean coal was a priority.

I felt turbines research, as I indicated earlier, was not a priority because we had completed work on the $31 million program that finished in the fiscal year 2001 year, and the next generation of that research in our judgment was unnecessary, because programs in that area of mid-sized turbines already were in the marketplace and moving forward.

With respect to some of the other areas, we made a decision, and believed that in light of the strength of the industries involved, particularly in the areas of oil and natural gas, that the share of research that can be borne by those industries at this time can be greater than what it has been, and should therefore be increased, and that is the direction in which this budget will move.

Senator BYRD. Now, Mr. Secretary——

Secretary ABRAHAM. There is certainly a debate on that, I understand, but we believe that that potential certainly exists.

Senator BYRD. Mr. Secretary, what you are saying is that the administration is shifting funding away from programs where the private sector could make and is expected to make a bigger contribution. That is what you are saying, is it not?

Secretary ABRAHAM. Yes, exactly.

Senator BYRD. Let me tell you the problem with that. The problem with that is that you are betting on the fact that corporate CEO's will take up the slack and invest hundreds of millions, or even billions of dollars, corporate dollars, in technologies that may not pay off—may not pay off in 3 years, or 5 years or 10 years, or more. These are the same people who in many cases cannot see beyond the next quarterly report, and how the companies stock price

will affect their pay check. Now, that is the problem. We cannot depend upon private industry here.

Private industry responded in a great way on clean coal technology, and has supplied, as a matter of fact, two-thirds of the money, instead of the required 50 percent. We cannot bet on it in this—long-term, we cannot bet on private industries picking up that slack.

I have got some more questions, Mr. Chairman.

Senator BURNS. You keep on going, because I took about 35 minutes, you know, right in front of you.

Senator BYRD. Thank you very much.

Senator BURNS. I took advantage of your absence.

Senator BYRD. Thank you, Mr. Chairman.

Secretary ABRAHAM. Can I make just a comment, though, Senator?

Senator BYRD. Yes, certainly.

PRIVATE INDUSTRY INCENTIVES

Secretary ABRAHAM. Because obviously we believe that the incentives for private industry to engage in this technology are quite substantial right now. That is our look at it, particularly in the area of oil and natural gas. Prices in these areas are at very—significantly higher levels than they have been in recent years, therefore the return on these investments we believe is now much more attractive for the companies, who maybe a few years ago, when prices were low, would not have picked up that responsibility to the extent we project.

I guess, you know, I think at this point that we should look to those industries, as we have looked to the coal industry with regard to clean coal technology to increase their share, and frankly I think the idea that the taxpayer should pick up the $60 million that we propose in these areas be reduced at a time when we are seeing record profits in these industries, it was hard for me to justify that kind of priority-setting.

Senator BYRD. Mr. Secretary, I am sorry you are saying it was hard for you to justify it. I thought this was the other crowd that was making these decisions, and you were on the side of really doing something about these brownouts, rolling blackouts and all of that.

The record does not show—look at the record. The record does not show that private industry is picking up these huge amounts like this on fossil energy. How did we ever get started in this? We got started because there was a need for the Federal Government to do something about this.

I am not for the Federal Government doing everything, but there are some areas in which the Federal Government has to do it, and at least has to lead the way, and so I think that the budget would play havoc with the Nation's preeminent fossil energy research program, and we are going to do whatever we can, Mr. Secretary, to put you and the Vice President and the President on the right track.

NATIONAL ENERGY TECHNOLOGY LABORATORY

Let us talk for a moment about the National Energy Technology Laboratory. What do you expect would be the repercussions of your budget request on the staffing levels at that facility?

Secretary ABRAHAM. We have not been able to make a final decision on that, and I would be happy to keep you informed as we reach that. I think obviously, as you are aware, there is a reduction in our salaries and expenses line item, and so obviously that leads to the potential for a reduced employment level. We think that there is——

Senator BYRD. I am listening.

Secretary ABRAHAM. But what we have not assessed is to what extent attrition will be a factor between now and when these changes would come into place, but I would acknowledge that there will be a decease in the amount of dollars available, and that therefore we would expect the total employment level would be lower.

Senator BYRD. As I understand it, it will be about 58 at the lab.

Secretary ABRAHAM. 58 is one number, the highest number I have heard, but we are not sure whether or not that takes into account either attrition or some changes that we are still examining here.

Senator BYRD. Certainly we will be losing many critical energy technology scientists and experts. Do you think this is being shortsighted?

Secretary ABRAHAM. Well, in my judgment we have a tremendous complex both there and across the labs, all of the labs that we have. We have tried in this budget to take an approach towards the support of the sciences and the research programs in a way that will minimize the effect of it, and I think we have done that.

Senator BYRD. Well, obviously we have a chasm here that is going to be hard to bridge, but we will bridge it, and I will still have your friendship, and you will still have mine.

Secretary ABRAHAM. I am sure of that, sir.

Senator BYRD. But this is one Senator that is just not going to go along. This is flim-flam that we are getting from the administration.

Let us see what that task force comes up with. Maybe I will be shown to be wrong, but I want to see what the task force says, but we have got to talk about these figures as we see them presented now. Why not follow the example set by Secretary Rumsfeld, who is waiting to submit his budget until he has completed his review of the Nation's defense policy?

Secretary ABRAHAM. Well, we——

Senator BYRD. I have another question. That was a rhetorical question.

Secretary ABRAHAM. Oh, okay.

I did not have that answer here, either, so I am glad it was rhetorical.

Senator BYRD. Maybe you had a good answer on that one.

Well, industry—we have been talking about industry—has been an important partner in the clean coal technology effort. The successes that we have seen to date would not have been possible without such a public-private partnership.

At the same time, I do not think that it is plausible to believe that industry will pick up a 34-percent cut in the Department's overall nonclean coal research and development program. The President has stated that his energy plan will be a long-run solution to the energy problems we now face. If the President thinks we face problems now, those problems will only be compounded by a short-sighted budget that sacrifices the Federal commitment to energy research and development.

Now, just to be right to the point, the basic reason why we are seeing these reductions, and it is not just in this budget, and redirecting program moneys from one program to another, which is robbing Peter to pay Paul, the basic reason is to pay for this huge tax cut.

Now, you are kind of in that sandwich again, and I can understand. I do try to feel for you on these things, but that is the basic reason why we are being underfunded, but that will have to be settled another day and elsewhere.

But Mr. Secretary, thank you for appearing here. Thank you for your responses, but just be ready, because we are going to change those figures on this committee, and bless your heart, I think you are going to like it better, because I think you will have more money and more people and more research, and a better program.

Secretary ABRAHAM. Senator, thank you, and I look forward to continuing both our meetings as well as hearings as we work together on this.

Senator BURNS. Thank you Senator Byrd, and before you got here, my first question was—and you probably are not aware of it. I remember last year when Senator Gorton and I and you and Senator Stevens were sharply critical of the Secretary moving some money around and not expending it on those line items, if you will remember. The Secretary very graciously said today that whatever comes down, that is where it will be spent, and it will not be moved unless he has consultation with this committee. I was very happy to hear him say that, and I think it is one of your concerns also.

Senator BYRD. And hopefully not rescinded. I had to fight those rescissions in the last administration, so I am not picking on you, or your administration by itself. I have been a critic of the previous administration trying to rescind clean coal technology money, and I fought them at every curve, and so we have got some problems you are not accountable for.

Senator BURNS. I have but just a couple of questions, and I think there are some questions that Senator Campbell indicated that he had, and Mr. Secretary, we will submit those to you in writing, and if you would respond to the individual Senator and to the committee, why, that would be good.

I appreciate your patience today.

Secretary ABRAHAM. No problem.

Senator BURNS. I apologize for the Senate. The behavior of the Senate has not changed a lot since he was a Member, so we appreciate your patience in this regard. We will submit written questions, and Mr. Secretary, we look forward to working with you and working out our difficulties and our priorities. I think it is a question of priorities more than anything else. It is not a question of money.

The money is there, but we have to put some emphasis on where I think, and where Senator Byrd and the committee thinks, is the direction we are going. That being the case, I think we can work it out, but there will be a lot of consultation between the entities before we have got a final appropriations.

Secretary ABRAHAM. There will be. I just thank both of you and the other members of the committee. Obviously, just on a personal level it is enjoyable to work with our friends on things, and I really regard, obviously, my former colleagues as good friends that help us to work together more effectively, and I look forward to doing that with both of you and the other members of the subcommittee.

ADDITIONAL COMMITTEE QUESTIONS

Senator BURNS. Thank you very much. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

WEATHERIZATION VS. RESEARCH & DEVELOPMENT

Question. The President's request for Energy Conservation increases funding for the Weatherization grant program by $120 million, but reduces funding for Energy Conservation R&D by an even greater amount. Instead of grants making up about a quarter of the Energy Conservation budget as they currently do, grants would be nearly 40 percent of the total. Do you think this is an appropriate balance between Grants and investments in R&D?

Answer. The Administration has proposed a $120 million increase in funding for the Weatherization Program in fiscal year 2002 as part of a 10-year commitment to increase funding by $1.4 billion. The President has made this commitment because he understands that the Weatherization Assistance Program provides home energy efficiency retrofits to materially reduce energy bills for low-income American families. Energy cost burden for low-income American families is four times greater, as a proportion of their income, than for other households, and who are least able to afford the cost of energy or the cost of improvements to make their homes more energy efficient.

Weatherization and R&D do very different things and have very different purposes. As President Bush has noted, we have a long-term energy crisis on our hands that will take considerable effort and time to overcome. In the meantime there will be a considerable and growing need to help less fortunate Americans to deal with high and volatile energy prices. The Weatherization Assistance Program has demonstrated that it can cost-effectively meet that need for many of our nation's poor.

Question. Are you confident that the increase requested for Weatherization can be effectively spent by the states in fiscal year 2002?

Answer. The proposed $120 million increase in DOE funding for the Weatherization Program in fiscal year 2002 will enable States to weatherize 123,000 low-income homes. This represents an increase of 48,000 homes weatherized compared to fiscal year 2001. Many States will need to expand capacity to deliver these services and invest the increased funding. To meet the production goals defined by DOE, States will need to begin planning now for the proposed increase, in order to be prepared to deliver expanded weatherization services as soon as their Program Year 2002 begins. DOE will assist States in their ramp-up activities by providing planning tools, flexible program guidance, and the option to receive advance funds from their fiscal year 2002 grant amount as soon as appropriations are allocated. Based on our experience, we are confident that this increase can be absorbed and the increased number of weatherized homes can be achieved.

Question. According to the budget request, DOE's Buildings R&D programs will result in energy savings of 2 quads (quadrillion BTUs) by 2010. The Weatherization program is projected to result in energy savings of only 1/10 of a quad by 2010. In

light of these numbers, how do you justify nearly doubling the Weatherization program while cutting Buildings R&D in half?

Answer. The Administration's position on this question is straightforward. The purpose of the Weatherization Assistance Program is not to save quads of energy for their own sake, but to use energy efficiency to reduce low-income household energy bills to affordable levels and to improve the health and safety of the vulnerable elderly and young among us. We justify the Weatherization Budget by noting that the Administration's plan, in conjunction with leveraged state and local resources, will weatherize 2.3 million low-income households over the next ten years, saving an average of more than $300 per year on each of those household's energy bills. The cumulative savings on low-income energy bills will be nearly $4 billion. This is not to say that high energy savings in other buildings programs is not a worthy objective; it most certainly is. But it is no more appropriate to measure the impact of Weatherization based simply on quads of energy saved than it would be to assess the impact of a commercial roofing program, for example, based on how much that program might reduce the percentage of income that low-income households spend on energy. Each has its own merits and should be judged on those merits. It is also important to note that Weatherization has proven itself to be a cost effective program, with a positive benefit/cost ratio of 2.1 to 1.

The Administration recently released its National Energy Plan which makes two specific recommendations with respect to the DOE Weatherization Assistance Program. (1) Recommends that the President increase funding for the Weatherization Assistance Program by $1.4 billion over 10 years. Consistent with that commitment, the fiscal year 2002 Budget includes a $120 million increase over 2001. The Department will have the option of using a portion of those funds to test improved implementation approaches for the Weatherization Program. (2) Recommends that the President support legislation to allow funds dedicated for the Weatherization and State Energy Programs to be transferred to LIHEAP if the Department of Energy deems it appropriate.

ENERGY INFORMATION ADMINISTRATION

Question. The budget request for the Energy Information Administration is at roughly the fiscal year 2001 level ($75.5 million), but within the amount requested EIA would have to absorb roughly $4 million in fixed costs for pay increases, etc. In light of the current crisis in our energy sector and the increasing demand being placed on EIA's services, is the budget request adequate?

Answer. The demand for EIA data, analyses, forecasts, special reports, and briefings, and the call on EIA to provide timely analyses and reports, especially during recent volatility in energy prices, has grown significantly. EIA's priority, as reflected in the fiscal year 2002 budget, is to maintain energy data programs and forecasting systems needed to provide timely information during this period and in future periods of high interest in energy. This includes continuing improvements in EIA's electricity, natural gas, petroleum and energy consumption surveys, and selected area where the quality of energy data needs improvement.

EIA is able to fund the fiscal year 2002 fixed cost increases, which includes the Federal personnel pay raise, with minimal impact to programmatic activities by taking the following actions:

Reduce printed publications. In keeping with EIA's Strategic Plan to reduce printed publication and make greater use of EIA's web site, EIA plans to discontinue the publication of the State Energy Price and Expenditure Report, the State Energy Data Report, the Renewable Issues & Trends, the Electric Power Annual Volume I, and produce the Changing Structure of the Electric Power Industry every two years instead of annually.

Complete in fiscal year 2001 the Interruptible Natural Gas Contract Study.

Defer maintenance on lower priority energy data surveys and processing systems.

Downsize plans for the integration of current information processing technology, and continue dependence on aging data systems and infrastructure.

Complete the development of the 15 regional models on greenhouse emissions, but defer plans to integrate the models into one international model.

These actions are in-line with EIA's Strategic Plan to reduce printed publication by making more energy data available on EIA's web-site, and to maintain EIA's core energy data quality and analysis capabilities.

Question. Will EIA be able to provide the Administration, Congress and other users the information they need to assess energy markets and policies?

Answer. EIA's mission is to gather and analyze a broad array of energy data, disseminate energy information, and prepare reports and forecasts to assist energy pol-

icy makers in making informed decisions. EIA will continue to provide the energy data, analyses and forecasts needed by energy policy makers.

Question. In fiscal year 2001 Congress provided EIA with additional funds for a number of specific projects. Will these projects be completed prior to fiscal year 2002? If not, can they be continued or completed in fiscal year 2002 if EIA is provided the amount requested in the budget?

Answer. EIA is progressing on each of the activities earmarked by Congress in our fiscal year 2001 appropriation. In summary: (1) Establish an outlet level sampling frame for gasoline and diesel fuels—For fiscal year 2002 the new frame design will be completed and implemented. (2) Expand weekly publication of gasoline prices to include key States and cities—Prior to Memorial Day weekend 2001, the weekly survey will be expanded to include prices for 6 cities and 5 States. For fiscal year 2002 EIA will integrate a new sample, and additional cities and States. (3) Improve reliability and accuracy of weekly petroleum data—With the primary focus is on the accuracy of imports and refinery production data, to date EIA has determined that several large companies were misreporting and several importers were not reporting at all. By the end of fiscal year 2001 these problems will be corrected. (4) Institute heating season biweekly survey of companies' interruptible natural gas contracts—EIA has developed and implemented a survey. In July 2001, the database for the months January through March 2001 will be completed. By September 2001, EIA will prepare a report to summarize: (a) the basic measures provided by the data, (b) an analysis of industry and market behavior, and (c) an assessment of data quality issues with recommendations for further work.

BUDGET AMENDMENT AND PNGV PROGRAM

Question. The President's budget request maintains level funding for the Partnership for a New Generation of Vehicles (PNGV) program. As you note in your testimony, however, a budget amendment will soon be submitted to move roughly $40 million out of the PNGV program and into renewables programs funded in the Energy and Water bill (primarily superconductivity and hydrogen research). Can you tell as a little more about what is driving this budget amendment?

Answer. Together with our automotive partners we have reviewed the PNGV program and agreed that it was time to revisit its goals. We will streamline and refocus our joint automotive R&D efforts to provide greater emphasis on those long-term technologies that offer major societal benefits, while affording the broadest flexibility in application. As detailed in the amendment, we seek to maintain significant efforts in fuel cells, power electronics, advanced batteries and carbon-based materials. Relatively more mature technologies such as spark ignited engines, will receive less federal emphasis; we expect that our private sector partners will assume the major burden of further development of the most promising of the mature technologies. We understand that our private sector partners would welcome the increased flexibility that a revision to PNGV goals could provide, seeing opportunities to better align their efforts with market sectors where the best business cases could be made.

Question. What have you learned in the last month that leads you to believe the PNGV program is no longer worth maintaining at current levels, and can be cut by more than a third?

Answer. Over the past two months, senior members of my staff have been engaged in discussions with representatives of our Partnership for a New Generation of Vehicles (PNGV) industry partners regarding the future of the partnership. The current program provides support for a portfolio comprised of high risk research projects which have the potential for benefits within the near-, mid-, and long-term. In agreement with our industry partners, and in coordination with the upcoming National Energy Plan, greater emphasis will be placed on the long-term portion of the research portfolio, that is aimed at overcoming fundamental obstacles to vehicle technologies offering the highest potential for significant public benefits. This will enable us to get the program's projected benefits at a lower cost for the taxpayers.

Question. Will this amendment have an impact on the speed with which DOE and its industry partners will reach PNGV program goals and what will that impact be?

Answer. The PNGV program goals are set jointly by industry and the Federal partners. We expect the current program goals can be met through a different combination of resources and activities between government and industry. We anticipate that changes in the research targets and milestones will be reflected in revision of partnership goals. Since fuel cell research is proposed at the 2001 level, we do not anticipate that research targets and milestones in that important area will be impacted. In other research topics, especially those associated with mature relatively near-term technologies such as combustion engines, we expect that the pos-

sible near term delays from reduced federal funding will be resolved by our private sector partners assuming the major burden of further development toward our long term goals and their near term adaptation of those technologies for their nearer term vehicles. Since approximately 54 percent of our PNGV funding supports research at the national laboratories, and these efforts are also the ones that can most easily be refocused, we expect that the major impacts of reduced DOE funding will be felt by the national laboratories as the development and investment shifts from the labs to the industry.

Question. The broad goal of the PNGV program was to produce a vastly more fuel efficient four passenger sedan. You have indicated that one of the reasons for shifting funds out of the PNGV program is to place a greater emphasis on fuel efficiency in SUVs, which now command a substantial share of the automobile market. Isn't much of the work being done on SUVs supported by funding in the Advanced Combustion Engine R&D and Materials Technologies activities that would be reduced by your budget amendment?

Answer. Clearly the majority of work in Advanced Combustion Engine R&D and Materials Technologies can be applied to light-duty trucks (SUVs), as well as passenger sedans. In deciding with our industry partners to emphasize longer-term research opportunities in our joint efforts, reductions will be taken in the Federal contribution to relatively more mature technology areas. These technologies include spark ignited internal combustion engines and lightweight metals such as aluminum and advanced steels. We expect that our private sector partners will assume the major burden of further development of the most promising of the mature technologies.

FEDERAL ENERGY MANAGEMENT PROGRAM

Question. The Federal Energy Management Program supports efforts throughout the Federal government to reduce Federal energy use. The budget reduces funding for the FEMP program to almost half the current year level. The budget justification also notes that the value of Super ESPC (Energy Savings Performance Contracts) delivery orders placed will drop from $120 million to $30 million. Is the reduction in Super-ESPC orders directly linked to the proposed reduction in FEMP's budget, or is it a result of other limiting factors?

Answer. The estimated reduction in Super-ESPC orders is linked to the proposed reduction in FEMP's budget. FEMP uses experts in the national laboratory system and other organizations to provide direct project support and technical assistance to Federal facilities. The level of delivery order support facilitated by FEMP is correlated to the funding obligated to the laboratories and other experts who carry out these services. The President's recent directive and the National Energy Policy Development Group recommendations may result in more ESPC orders than anticipated in the budget justification. The reduction in Super ESPC funding is larger than the 48 percent FEMP budget cut because we needed to maintain funding for Congressionally mandated activities and to support other high priority initiatives (such as Peak Load Management.)

Question. What will be the overall impact of the reduction in FEMP on energy savings government-wide?

Answer. The impact will depend on the extent to which Federal agencies are successful in leveraging private funds and paying for their own energy management. FEMP's service vehicles—project financing, technical and design assistance, and outreach—provide expertise and experience that assist agencies with the implementation of energy efficiency retrofit projects, incorporation of energy efficient design into new construction projects, efficient operation and maintenance, and the procurement of energy efficient products. FEMP will continue to assist Federal agencies and assess Federal Agency performance as defined in the Executive Orders.

Question. Is it your expectation that other agencies will be able to implement cost-effective energy conservation measures using their own resources, rather than relying as heavily on FEMP expertise?

Answer. FEMP experience and expertise has assisted many federal agencies to create a core of competency in energy efficiency. Agencies will still be able to use their own resources to implement cost-effective energy conservation measures.

Question. On Thursday of last week, President Bush called on Federal agencies to take immediate steps to reduce energy at Federal facilities. Is the budget request for FEMP consistent with the spirit of the President's directive?

Answer. The directive indicated that the work be accomplished within current budget authority. The directive requires heads of executive departments and agencies to take appropriate actions to conserve energy use at their facilities, especially to conserve electricity during peak periods in regions where electricity shortages are

possible. The National Energy Plan includes similar language. Agencies should also review their existing operating and administrative processes and conservation programs and identify and implement ways to reduce such use. Near-term activities, including reporting on actions taken within 30 days, will be covered with existing fiscal year 2001 funding. FEMP assists Federal agencies in reducing their energy demand and in assessing Federal Agency energy performance and, as such, is well positioned to help agencies meet their obligations under this directive.

Question. Does the FEMP request reflect a policy decision that the goals for reductions in energy use established in Executive Orders 12902 (Bush I) and 13123 (Clinton) are no longer appropriate, or does the Administration simply feel these goals can be attained within the budget proposed for fiscal year 2002?

Answer. The administration believes these goals may be accomplished through increased use of private financing resources and by funding FEMP activity through cost sharing from agencies benefiting from energy reductions. FEMP is committed to the important goals set by these energy efficiency Executive Orders.

GOVERNMENT PERFORMANCE AND RESULTS ACT

Question. The Government Performance and Results Act (GPRA) requires the Department to establish performance goals for itself. Given that the budget proposes significant shifts in funding priorities, has the Department proposed any commensurate changes in its GPRA goals?

Answer. Yes. The Department prepared an Annual Performance Plan with the budget and ensured the performance goals were consistent with the Administration's funding priorities. The published plan contains the resulting performance measures for fiscal year 2002 and shows where changes were made to measures for fiscal year 2001 resulting from new direction and priorities.

Question. If so, can you provide a few examples? If not, why not?

Answer. The fiscal year 2002 budget request embodies changes in Departmental and program priorities that are also reflected in changes to performance measures for fiscal year 2002. Changes in energy-efficiency priorities are reflected in proposed performance targets, such as the increased funding for the Department's weatherizing homes of low-incoming families. The performance targets for fiscal year 1999, 2000, and 2001 were and are 67,845 homes, 68,000 homes, and 75,350 homes respectively. For fiscal year 2002, the proposed target is 123,000 homes consistent with the increased funding. Another visible example of a new priority is the intent to eliminate unnecessary layers of management which is included in the Department's performance measures concerning human capital management. Other changes in priorities reflect the elimination of programs that have completed their mission, are redundant, ineffective, or obsolete.

Question. Does the Department feel it can still attain the most recently stated GPRA goals under the budget proposal for fiscal year 2002?

Answer. Yes. The performance goals contained in the Department's Annual Performance Plan for fiscal year 2002 are consistent with the proposed budget for fiscal year 2002 and are attainable at the funding requested.

INDUSTRIES OF THE FUTURE—GENERAL

Question. The budget requests for the various sector-specific programs with in the Industries of the Future Program are reduced by varying amounts. What methodology was applied in determining where these reductions would be taken?

Answer. The budget request for the Industries of the Future program is part of the integrated budget request for the Office of Energy Efficiency and Renewable Energy (EERE). Within the overall budget request for EERE, priorities were given to maintaining core competencies and certain high priority activities such as the biomass R&D efforts. Since the Agriculture and Forest Products Industry of the Future programs are part of the bioenergy programs, the budget requests for these programs were maintained at the fiscal year 2001 appropriation level. Adjustments were made for activities that appeared to be ready for industry to adoption or private sector research. In addition, emphasis was placed on meeting commitments to ongoing multi-year projects rather than initiating new projects as we undertake the project reviews provided for in the National Energy Plan. With the funds remaining for these programs, proportional reductions were made to protect the core competencies of these programs. No funds were requested for the Petroleum Industry of the Future program, where research projects are not yet underway. Also, since Supporting Industries was a new start in fiscal year 2001, we decided to not to make any present commitments that could not be met with fiscal year 2001 funding.

Question. Are the reductions based on completion of individual projects currently underway, an across-the-board proportionate reduction, or a mixture of both?

Answer. Emphasis was placed on meeting commitments on existing multi-year projects. For many programs, where the budget request levels were less than the previous fiscal year, a proportional reduction was often used, recognizing that within each industry projects underway range include items nearing completion.

INDUSTRIES OF THE FUTURE—BLACK LIQUOR GASIFICATION

Question. The budget request includes $6.6 million within the Industries of the Future program for Industrial Gasification, a decrease from $12.7 million in fiscal year 2001. This amount will allow for one black liquor gasification demonstration project rather than three originally planned. What are the impacts of supporting only one demonstration as opposed to three?

Answer. In the forest products industry, there are three major process waste streams that would yield significant energy savings if gasified. Each waste stream has different components and unique technical challenges for gasification. Each of the three planned demonstration projects focuses on a different waste stream. The costs of the design and engineering phases for these demonstration projects are modest compared to the costs of the equipment purchase and construction phases. In keeping with the administration's commitment to moderate discretionary spending, we have planned to proceed from the engineering phase to the equipment and construction phases for one project. This allows us to maintain core work and positions us to make a decision on proceeding on the other two projects, after an assessment of the performance of energy efficiency research and development programs is made consistent with the recommendations of the National Energy Policy.

Question. Does the Department envision supporting additional demonstrations in the future, or does it feel one demonstration is sufficient to allow industry to commercialize the technology without Federal support?

Answer. The merits of proceeding past the design and engineering phases with the other two demonstration projects will be considered in an assessment of the performance of energy efficiency research and development programs, which is a recommendation of the National Energy Policy. The issue of respective Federal and industry roles will be addressed as part of this assessment.

CARAT & GATE PROGRAMS

Question. My recollection is that the fiscal year 2001 Interior and Related Appropriations Act included no funds for the GATE program, and $1.5 million for the CARAT program. However, the fiscal year 2002 budget justification indicates that $500,000 was allocated for GATE in fiscal year 2001. Setting aside the merits of the GATE program, how does the Department explain allocation of funds to this program in light of the Committee's reprogramming procedures?

Answer. The fiscal year 2001 Interior and Related Agencies Appropriations Act provided $1,500,000 for "cooperative automotive research for advanced technologies" (CARAT), which is a discrete budget key activity in the Transportation Sector. CARAT and GATE (Graduate Automotive Technology Education) are also the titles of sub-key activities within the overall CARAT line item. CARAT and GATE are integral and complementary parts of the CARAT line item, which was established to assure that the creative capabilities of the universities could be fully utilized in the Partnership for a New Generation of Vehicles (PNGV) effort. The appropriations language did not specify zero funding for GATE. Additionally, reprogramming procedures are not required when the programs in question are within the same control level.

DISTRIBUTED GENERATION

Question. The Department has reorganized some of its R&D programs to focus on distributed energy resources. Some proponents of DER systems have complained that although many DER technologies are cost-competitive, their deployment is frequently blocked by State commission rules, State legislation and local utility practices. Is this a complaint that has been brought to the Department's attention?

Answer. The Department is aware of problems associated with the deployment of Distributed Energy Resources (DER) systems due to state rules and legislation, local utility practices, and siting and permitting. The Office of Distributed Energy Resources has a number of efforts completed and underway to address these problems. In May 2000 the DER Office published "Making Connections, Case Studies of Interconnection Barriers and their Impact on Distributed Power Projects." The report documents the difficulties experienced by DER projects related to interconnection and is the first step to removing these barriers. The DER Office is currently working on a similar report to document Environmental Barriers to DER, which is expected to be published later this year. In addition, the DER office is working with the EPA

to ensure that siting and permitting rules are not biased against DER and Combined Heat and Power (CHP) systems. The DER office is also working with a number of key states (states that could be used as examples of the advantages and benefits of DER) to address state barriers to DER system installations. The office published a report with the state of California analyzing the impact that distributed generation technologies would have on air emissions in the state. The DER office is initiating a similar study with the Texas Public Utility Commission and the Texas Natural Resource Conservation Commission to analysis and identify the impacts of different distributed generation emissions limits for Dallas and Houston, develop market penetration scenarios for DG in Texas, and estimate how various DG emissions limits will affect the costs of DG technologies. Additional efforts with the states will be undertaken as interest and resources allow.

Question. Is the Department involved in efforts to reduce barriers to the deployment of DER technologies, in addition to helping develop the technologies themselves?

Answer. The first step in reducing and removing barriers to the deployment of DER technologies is to identify precisely what those barriers are. The Office of Distributed Energy Resources has been engaged in a substantial effort to identify various barriers to distributed generation. Work is continuing with the appropriate organizations to remove identified barriers. Examples would include creating and implementing interconnect standards through the IEEE, working with the Environmental Protection Agency (EPA) to address output based emissions standards and other siting issues, and working with several prominent states to ensure that regulations do not discriminate against distributed generation. Research and development work on distributed generation technologies will also expedite the implementation of DER because technologies will be more efficient, cleaner, and more cost competitive.

FOSSIL ENERGY—FUEL CELLS

Question. Mr. Secretary, I believe fuel cell technology may offer us a great opportunity. Because of this I have worked very hard to ensure that the progress in the fuel cell sector does not pass without Montana being involved. As a result, Montana has received funding for multiple DOE projects propelling fuel cell research forward. Despite the proposed cuts in the fuel cell program, I am sure you understand the potential this technology holds. Can I have your assurance that the ongoing fuel cell initiatives in Montana will receive your full support?

Answer. Fuel cells indeed offer us a great opportunity as a clean, efficient source of electricity and energy. The ongoing fuel cell project in Montana is currently being conducted under the Department's Energy and Efficiency Office's Hydrogen Program.

FOSSIL ENERGY—COOPERATIVE RESEARCH

Question. Mr. Secretary, your budget zeroes out cooperative research from $8.1 million in fiscal year 2001. This program supports research facilities in the West, including WRI in Wyoming that works closely with Montana's natural resource producers. These programs focus in increasing efficiency and reducing environmental impacts to promote domestic production. At the same time, they leverage private investment. Can you provide for this Subcommittee an estimate of the amount of private matching funds that will be lost with the elimination of this program?

Answer. When these institutes were privatized in the early 1990's, they pledged to be independent of federal funding within a few years. Both organizations are eligible to compete for Fossil Energy R&D funding through the normal solicitation process, one that generally gives added consideration to projects with high levels of non-federal cost-sharing. The reduction in federal funding is not intended to reduce the amount of private funding; rather the opposite is the case. Based on Energy Environment Research Center's (EERC) and Western Research Institute's (WRI) success in attracting matching funding over the last several years, these institutes are in a strong position to receive DOE competitive awards and leverage private funds in the process.

Question. How much will be lost in matching funds if we allow your proposed budget cuts to stand?

Answer. At EERC, the $2.2 million in fiscal year 2001 federal funds is matched with $3.3 million in private matching funds. At WRI, the $2.6 million in fiscal year 2001 federal funds is matched with $3.3 million. However, to assume that these funds would be lost requires that one assume that private funders will no longer find merit in the programs and that they could not successfully compete in DOE's normal solicitation process.

Question. Finally, how many jobs in North Dakota and Wyoming will be placed at risk with this cut in the Cooperative Research budget?

Answer. Funding received by EERC and WRI through Fossil Energy's Cooperative R&D program supports approximately 50 percent of EERC's total staffing, and 60 percent of WRI's. Based on current staffing level and the portion of EERC's budget this funding represents, it is estimated elimination of this funding would result in at least 75 full-time jobs being put at risk at EERC, and 40 full-time jobs at WRI. However, to assume that these funds would be lost requires that one assume that they could not successfully compete in DOE's normal solicitation process or that private funders will not find sufficient merit in the programs to make up for federal funding.

FOSSIL ENERGY—IMPORT/EXPORT PROGRAM

Question. Mr. Secretary, your budget drastically cuts the import/export program that is responsible for processing applications to import fossil fuels, and is a partner with FERC and other agencies on NEPA compliance issues. Having spent numerous years on the Energy and Natural Resources Committee, I can assure you that these activities are vital to meeting America's energy needs, and by all indications it appears the Vice President's recommendations to address the nation's energy needs will focus on most of these issues. Considering this budget is responsible for allowing for the import of fossil fuels, including natural gas, and that our reliance on these imports is increasing, how can you justify cutting the program?

Answer. The import of fossil fuels, especially natural gas, will indeed be a part of the broad mix of energy supply options that will provide for a diverse supply of energy for the United States. Also, in several regions of the country, imports of electric energy represent 10 percent or more of total electricity requirements. However, as part of the Administration's efforts to streamline permitting and to reduce the burden on the taxpayer, we are considering a number of options that would reduce the need to use federal funds for these programs. Among the possibilities to be considered will be fees on those requesting permits, similar to EERC, a possible transfer of jurisdiction to EERC, as well as repeal of those portions of the Fuel Use Act and other requirements that have become obsolete. In the meanwhile, we will carefully marshal our resources so that the current energy problems in these regions will not be exacerbated. Fossil Energy will seek a reprogramming of funds sufficient to meet statutory requirements, if necessary.

Question. Considering that the administration is calling for increased transmission improvements, new power plants, and a NEPA process that proceeds at an efficient pace, why would you slash the DOE's budget to help move these activities forward?

Answer. The construction of new transmission lines and electric powerplants will indeed be a part of the future energy supply options for the United States. The funding level requested for DOE's electric power regulatory program is austere but adequate. As part of the Administration's efforts to streamline permitting and to reduce the burden on the taxpayer, we are considering a number of options that would reduce the need to use federal funds for these programs. Among the possibilities to be considered will be fees on those requesting permits, similar to EERC, a possible transfer of jurisdiction to EERC, as well as repeal of those portions of the Fuel Use Act and other requirements that have become obsolete. In the meanwhile, we will carefully marshal our resources so that the current energy problems in these regions will not be exacerbated. Fossil Energy will seek a reprogramming of funds sufficient to meet statutory requirements, if necessary.

Question. President Bush recently held meetings with two North American leaders (Vicente Fox of Mexico and Jean Chretien of Canada) to discuss energy development and cooperation between our countries. Do you believe that oil and gas exploration in, and shipments from, allied nations will serve as a viable solution to the looming energy crisis?

Answer. Natural resource development and free trade in energy resources with our North American trading partners can serve as a part of the solution to our current energy crisis. We have begun trilateral meetings of the heads of energy for the United States, Canada, and Mexico. Our three countries have formed a North American Energy Working Group to begin developing a joint comprehensive energy strategy. In addition, we have formed an Electricity Working Group that will focus on enhanced cross-border electricity trade between the United States and Mexico.

Our energy policy will look beyond our borders and recognize the global nature of energy needs. While we value the longstanding relationships we have built around the world, we will place at least as much emphasis on our relations with our neighbors in the Western Hemisphere as elsewhere on the planet. Our approach

will be hemispheric, and our goal will be to build relationships among our neighbors that will contribute to our shared energy security and to adequate, reliable, environmentally sound, and affordable access to energy.

Question. Also, would it be consistent with Administration policy if Congress were to take steps in its annual authorization and appropriations duties to encourage fossil fuels research and development activities in other U.S. allied countries?

Answer. The Administration is supportive of carrying out cooperative research and development (R&D) with allied countries, which is the most common way the Department encourages R&D in these countries. For example, the May 2001 National Energy Policy includes a National Energy Policy Development Group recommendation "that the President direct the Secretaries Commerce, State, and Energy to explore collaborative international basic research and development in energy alternative and energy-efficient technologies . . . ". The extent to which this recommendation might affect future budget requests has not been determined yet, but Congress has traditionally funded the Department to carry out a low level of international cooperative R&D.

Question. Is the import/export authorization account the proper avenue to explore this option?

Answer. The import/export authorization account includes management of the regulatory review of natural gas imports and exports, exports of electricity, and the construction and operation of electric transmission lines which cross U.S. international borders. These are very different kinds of activities than research and development, so we do not believe that this would be the best account for funding to "encourage fossil fuels research and development activities in other U.S. allied countries." If the activities envisioned are not program-specific, one possibility would be to expand the scope of existing activities under an existing line item such as International Program Support, which is under our Advanced Research Program. If the activities are program-specific, then we would prefer the funding be included with the program.

POWER PLANT IMPROVEMENT INITIATIVE

Question. Congress last year initiated the Power Plant Improvement Initiative by transferring $95 million in unobligated balances from the Clean Coal Technology program. The Initiative is designed to support demonstrations of advanced, clean coal technologies. I understand the Department has recently received responses to the Power Plant Improvement Initiative solicitation. Have you had the opportunity to review the proposals? If so, what are your impressions?

Answer. The Department did recently receive proposals in response to the Power Plant Improvement Initiative solicitation aimed at improving the reliability of the U.S. coal-based electric power system. Although we are in the early stages of the review process that will continue over the next few months, summary abstracts of the proposals were also submitted. Based on our reading of the abstracts, it appears that there is a range of potentially good ideas for projects being proposed over a broad range of project locations.

Question. How many proposals did you receive?

Answer. The Department received a total of twenty-four proposals.

Question. Do you feel there are enough high quality proposals to fulfill the purposes of the initiative?

Answer. Based on our perusal of the abstracts, it appears that there are sufficient high quality proposals to more than fulfill the purposes of this solicitation. The value of the proposed projects represent almost $535 million, $251 million of which is being requested from the Federal Government, which is more than two and one half times the available funding for this solicitation ($95 million). Upon completion of the review process, we will know more details of the individual proposals. Based on previous experience in the Clean Coal Technology program, some proposals will not be accepted, some will be abandoned by their sponsors or fail to receive the necessary private backing, and some will proceed to successful completion. The Department will carefully review all proposals and attempt to selected those with the greatest potential benefit to the industry.

VICE PRESIDENT'S NATIONAL ENERGY POLICY DEVELOPMENT GROUP

Question. The energy policy task force being led by Vice President Cheney is soon to announce its recommendations within the next few weeks. These recommendations will play an important role in shaping any energy-related legislation moving through this Congress, including this appropriation bill. Are you confident that the fiscal year 2002 budget request for the Department of Energy is adequate to support the recommendations that the Vice President's task force will make?

Answer. The fiscal year 2002 budget request is sufficient to meet the needs of the Department for the next fiscal year. The Task Force recommendations may impact future budget requests.

Question. Do you expect to submit a formal budget amendment to reconcile the two documents?

Answer. No budget amendment is planned for submission to the Committee regarding the recommendations from the National Energy Task Force.

Question. If not, will you work with us informally to make certain we understand how the recommendations of the task force match up with the Department's ongoing programs?

Answer. The Department is more than willing to work with the Committee to implement the elements of the National Energy Policy, including assisting in the understanding of how the recommendations and implementation match up with Department of Energy's programs.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

CLEAN COAL POWER INITIATIVE

Question. Lignite coal is an abundant resource in North Dakota which provides a low-cost, reliable energy resource for more than 2 million people in the upper Midwest. On several occasions, I have written you requesting that lignite coal projects would be funded through the Power Plant Improvement Initiative that this Subcommittee included in the fiscal year 2001 Interior Appropriations bill. I contacted you on these occasions because I wanted you to know of my interest in making sure that low Btu coal projects are given fair consideration in any new demonstration projects at DOE.

In the new Clean Coal Power Initiative proposed by the Administration, I am interested in the making sure that this project encourages the development of clean coal projects using North Dakota lignite. The Mid-Continent Area Power Pool (MAAP)—which includes Minnesota, the two Dakotas and the eastern half of Montana—estimates it will be short 5,000 Mws by 2006. I think it would be prudent for DOE to give detailed attention to projects such as the Lignite 21 Vision Project in North Dakota, which has already gotten a commitment of funds from the state.

Although I haven't seen many details of the Clean Coal Power Initiative, I know that later this year the Office of Fossil Energy will convene a workshop with utilities, equipments manufacturers, fuel suppliers, universities and others to work out some of these details that will guide the initiative. What is the Office of Fossil Energy doing to ensure that lignite interests are included in this meeting?

Answer. First I want to thank you for your keen interest in the very important Clean Coal Power Initiative proposed by the Administration. I also want to assure you that each and every proposal, including the proposed Lignite project, will receive a fair and thorough review based on the merits evaluated against the criteria in the competitive solicitations that will be issued under the Initiative. The Clean Coal Power Initiative will be carried out cooperatively with industry. The nation's power generators, equipment manufacturers, coal producers and others will help identify the most critical barriers to coal's use in the power sector. Industry also will be required to share the costs of the initiative, with the private participants' share rising to 50 percent or more by the time new technologies are ready for testing at market-entry scales.

To obtain industry's views on the content, coordination and scope of the Clean Coal Power Initiative, the Department of Energy's Office of Fossil Energy will convene a workshop later this year with utilities, equipment manufacturers, fuel suppliers, universities and others. Among the discussion topics will be the feasibility of establishing a more formal consortium of private organizations that would help coordinate and guide the initiative. We will be sure that all interested stakeholders, including those representing the lignite interests, will be afforded the opportunity to participate in the workshop.

COOPERATIVE RESEARCH

Question. In North Dakota, the Energy and Environmental Research Center (EERC) at the University of North Dakota has expertise in the area of fossil fuel research and development. In fact, over the last several years, co-funded research under a cooperative agreement between the EERC and DOE has invested more than $56 million in 126 projects. More than half of the funds for this research have come from non-federal sources, so the EERC has done a fantastic job leveraging federal dollars for fossil fuel research.

Given that the Department will need to rely on the research done by universities and others to guide the new Clean Coal Power Initiative, I was very disappointed that the Administration's budget eliminated funding for the cooperative agreement that the DOE has had with the EERC for the last several years. By cutting these kinds of existing fossil fuel R&D programs to pay for the $150 million clean coal initiative, the Administration gains no ground in developing new fossil fuel technologies. Can you explain why the Administration zeroed out cooperative research fossil fuel projects?

Answer. The Administration's policy is to have funding allocated on a competitive basis. Since the Cooperative Research and Development portion of the Fossil Energy budget provides directed funding to two institutions without competition, it is one of the lower priorities in limited budgets.

EERC has developed an excellent program of cooperative research which combines industry talents and capabilities from an effective State and Federal program. Indeed, this capability is best illustrated by the growing involvement of industry and their continued willingness to invest their resources in this program. The Department believes that EERC and WRI are capable of competing for Fossil Energy funds under various competitive solicitations, including the Clean Coal Power Initiative.

Question. Senator Byrd spoke on the Senate floor last week about the need for a sound energy policy and the need for commitments to reduce global greenhouse gas emissions, including efforts on the parts of developing nations. Please explain the ongoing voluntary research and development programs and other initiatives that have been developed over the last several years to address our critical climate change and energy needs.

Answer. The Department's energy mission is to provide appropriate assistance to help providers ensure adequate supplies of energy at reasonable prices, with appropriate environmental protection. As part of this mission, DOE supplements private investment in energy R&D when market failures cause the private contribution to fall below the optimum levels for public benefits. Our climate program is a subset of this larger mission and is focused on improving our understanding of the dynamics of global climate change, and on the developing and deploying technologies that reduce net emissions of greenhouse gas emissions.

Existing programs that directly or indirectly contribute to climate change science or emissions limitations are described below. Our fiscal year 2002 budget request and the recommendations contained in the recently released National Energy Policy call for a reevaluation and redirection of some of these efforts. In addition, the Cabinet-level review of climate policy that is now underway is also likely to have ramifications for these DOE programs.

DOE's Industries of the Future Program focuses on generic pre-competitive, cooperative research with nine of the major process and extraction industries in the private sector. These industries include aluminum, steel, metal casting, forest products, glass, chemicals, mining, agriculture, and petroleum. These activities seek to improve the energy efficiency of industrial processes in these most energy-intensive industries, which account for 75 percent of industrial energy use. This includes collaborative road-mapping of technology needs with each industry, and cost-shared R&D to meet those needs that provide significant public benefits that the private sector would not invest in on it own. Cross-cutting technologies applicable to many industries, such as advanced materials, sensors and controls, are also supported, where appropriate..

This program has had notable success. For example, the Oxy-fuel firing process for glass melting furnaces is now used in 20 percent of glass furnaces, reducing fuel use by 48 percent. Cathode research for the aluminum industry has achieved an 8 percent energy savings.

The DOE Transportation Program supports the development of more efficient cars and light and heavy trucks. The majority of the R&D effort supports the Partnership for a New Generation of Vehicles (PNGV) and 21st Century Truck initiative. The goals of these programs include tripling the fuel economy of today's mid-size cars (e.g., 80 miles per gallon) and delivery vans and doubling the fuel economy of heavy trucks. Activities supported by DOE include pre-commercial development of efficient vehicle components, such as low-emissions diesel and gasoline engines, hybrid powerplants, fuel cells, power electronics, high power batteries, and lightweight materials, as well as improvements in aerodynamics for trucks and buses. Many of the technologies developed in the DOE program are beginning to be incorporated in industry concept cars exhibited at auto shows and some are being used in production vehicles. In 2000, the three PNGV partner companies produced concept vehicles that reached the 80 mpg target, although the incremental vehicle cost is still too high to allow market introduction today.

The DOE Buildings Programs seeks to improve the energy efficiency of building in the residential and commercial sectors. Included are more efficient building equipment and materials such as furnaces, air conditioners, lighting systems, materials for roofs and walls, and windows. Improvements are sought in whole building design (systems integration) and construction techniques. An important part of the overall program is establishing federal minimum energy use standards for appliances, and collaborating with industry and States to develop new building energy codes.

The Weatherization Program, which is not an S&T activity, provides grant funding for energy efficiency improvements to low income houses. These efficiency improvements reduce heating, cooling, and hot water energy use. Five million homes have been weatherized to date.

The State Energy Program and the Community Program work with state and local governments to identify local opportunities for using energy more efficiently, and for incorporating alterative fuels and renewable energy into local energy markets. These federal, state, and local partnerships provide a on-going means of helping consumers and businesses improve their energy efficiency. Energy Smart Schools, Energy Star, and Rebuild America are examples of efforts undertaken through these programs.

DOE's Fossil Energy Program supports the development of cleaner, ultra-high efficiency technologies for electricity generation. This includes coal-fueled technologies with a goal of 60 percent efficiency (versus the middle 30's for a new plant today), and natural gas-fueled options with efficiencies above 70 percent (versus the mid-50's for a new plant today). Technologies include integrated coal gasification combined cycle (IGCC) for central station applications, and advanced fuel cells and fuel cell/turbine hybrids for distributed power generation. Products are incorporated from the advanced research program, including advanced materials for heat exchangers and innovative membranes for separation of hydrogen and carbon dioxide from other gases. While these systems have not achieved widespread deployment, the IGCC technology is being successfully demonstrated and finding its way into niche applications. Advanced fuels cells and turbines are being demonstrated and commercialized, and are expected to achieve significant deployment in distributed and hybrid applications in the next decade. In particular, the General Electric 7H series turbines have just been deployed, achieving 60 percent efficiency and substantial reductions in NO_X emission with no additional post-combustion control technology.

The Climate Challenge Program is a joint partnership between DOE and the electric utility industry that has been very successful. To date, more than 600 electric utilities have pledged to limit their net emissions by more than 170 million metric tons of carbon dioxide equivalent in the year 2000. Electric utilities represent about 85 percent of voluntary actions to reduce, avoid or sequester greenhouse gases, as reported by the Energy Information Administration under Section 1605 (b) of the Energy Policy Act. Results include: (1) Major reductions in the potential cost of reducing greenhouse gas emissions; (2) Increased participation by the electric utility industry compared to other reduction approaches, resulting in additional emission reductions.

DOE's supports research to improve the efficiency of electricity transmission and major electrical devices through activities such as the Superconductivity Partnership Initiative and the Second Generation Wire Initiative. These initiatives are aggressively pursuing the development of high temperature, superconductivity electric equipment. Important advances have been made this area, including development of breakthrough methods for making superconducting wires with over 10 times the current-carrying capability of wires made with older methods, and development and successful testing of the world's first superconducting motor.

DOE supports the development of a range of electric generating options that can be located near the point of consumption ("Distributed Generation"). These technologies can reduce overall GHG emissions through improved efficiencies, use of waste heat, and reduced transmission losses. Distributed generation technologies can be based on fossil or renewable energy sources.

DOE supports the development of a wide range of non-fuels solar and renewable energy technology, seeking to improve their reliability, expand their applicability, and reduce their costs. This includes solar electric and thermal energy, wind, hydropower, and geothermal energy.

These activities have been very successful in bringing down technology costs. For example, the cost of producing photovoltaic modules has been cut in half since 1991, and the cost of wind power has decreased 85 percent since 1980. Both of these technologies have been commercially successful in certain applications.

The Biofuels Program develops technology to enable and support the expansion of an indigenous, integrated biomass-based industry that will reduce reliance on imported fuels and provide for productive utilization of agricultural residues and municipal solid wastes. Included are the development of superior biofuel feedstocks and processes for converting feedstocks to electricity (both directly and by co-firing with coal), as well as to biodiesel, ethanol, and hydrogen for clean transportation fuels applications. This is supported by the Biobased Products and Bioenergy Initiative, which is an interagency initiative aimed at tripling the use of biobased products and bioenergy in the U.S. by 2010 (compared with 2000.)

The Clean Cities Program assists in the demonstration and adoption of alternative fuel vehicles, variously capable of operating on biofuels (such as ethanol), natural gas, or electricity. This increased fuel flexibility in the transportation sector can provide a basis for reducing GHG emissions associated with automobiles.

The Hydrogen Program is pursuing the use of hydrogen as a source of energy for transportation, electricity, and heat that has lower or no net GHG emissions (depending upon how the hydrogen is produced). Hydrogen can be separated from fossil sources or from water utilizing renewable energy. Today, hydrogen is primarily produced from methane, and a by-product of its production is CO_2. Thus, alternative sources of hydrogen production is a key focus of this program. Hydrogen can be used to operate fuel cells in vehicles and buildings. Success will require reducing the cost of producing, storing, and using hydrogen, especially from renewable feedstocks (e.g., bioenergy) and resources (e.g., solar energy).

The Federal Energy Management Program (FEMP) is helping Federal agencies make cost-effective investments in energy efficient and renewable energy technologies and resources.

DOE's Sequestration R&D Program focuses strictly on greenhouse gas reduction. Along with improved efficiency and lower carbon fuels, carbon sequestration provides an important third pathway for greenhouse gas reduction. Since it is completely compatible with the existing energy infrastructure, its deployment would not lead to costly early replacement of capital investments. The program is pursuing a suite of technologies to capture and store greenhouse gases. Near-term research focuses on technologies that provide multiple benefits in addition to climate mitigation, such as soil conservation, or production of high value energy products (enhanced oil recovery or production of coal bed methane) to offset sequestration costs. Longer term efforts are focused on a range of technologies capable of permanently storing carbon dioxide in geologic formations or other storage media.

DOE and its predecessor agencies have actively supported the development and demonstration of civilian nuclear power technologies. Each year nuclear power plants in this country, which generate 20 percent of domestic electricity, avoid about 180 million tons of carbon emissions that would have come from burning coal, gas, and oil. The Nuclear Energy Research Initiative (NERI) invests in researcher-initiated ideas that seek to reduce the impediments to further deployment of nuclear power. NERI funds research in areas related to economic competitiveness, safety, and non-proliferation. It also funds research into fundamental engineering and scientific principles that have broad power generation applications, such as the innovative use of nuclear power to make hydrogen fuels for the future U.S. economy.

The Nuclear Energy Plant Optimization Program (NEPO) invests in technologies and ideas aimed at improving the reliability, safety, and capacity of operating nuclear power plants. Nuclear power has enjoyed steady gains in capacity and availability over the past ten years, the NEPO program is intended to help maintain this trend.

The Nuclear Energy Technologies Program is developing a Generation IV Technology Roadmap to identify and establish R&D leading to the deployment of improved reactor technologies in the coming decades. The Roadmap will be completed in fiscal year 2002. This program also funds a study of the potential for deployment of a special class of Small Modular Reactors to locations ill served by the infrastructure required for coal, oil, or gas fueled power plants. Finally, this program funds studies of the potential commercialization of the plutonium burning modular helium reactor and of the deployment of advanced light water reactors.

Within the Office of Science, the Biological and Environmental Research (BER) program has a long-standing, comprehensive Global Change Research Program (GCRP) that contributes to the interagency U.S. Global Change Research Program (USGCRP). Since 1978, the Office of Science began funding basic research needed to understand, model and assess the effects of energy production on atmospheric carbon dioxide and climate.

The BER activities seek to establish the detailed scientific understanding necessary to predict the effects of increasing greenhouse gases on the Earth's climate and the potential consequences of human-induced climate change. An important

focus of the research is on the effects of atmospheric properties and processes on the Earth's radiant energy balance, including the role of clouds. This is the key uncertainty in global climate change science.

The research also seeks to elucidate the processes affecting the atmospheric chemistry, transport, and fate of energy-related emissions. This includes improving scientific understanding needed to predict and assessing the both effects of energy-related emissions on air quality and atmospheric composition and the quantities of carbon removed from or released to the atmosphere naturally by terrestrial and oceanic ecosystems. It also includes research to develop methods or approaches to purposefully enhance carbon sequestration in land and in the ocean and to understand the potential environmental implications of enhanced sequestration. BER also funds research to characterize and sequence the genome of microbes that could be used for producing alternative energy sources (e.g., methane or hydrogen producing microbes, energy from biomass) and for carbon sequestration.

CLIMATE CHANGE MITIGATION

Question. Mr. Secretary, Congress required a report of the Administration's activities last year, and that was supposed to be submitted with the fiscal year 2002 Budget. Please explain the status of the report, and whether, and when, we can expect to see the report. This report is critical for Congress' efforts to develop our funding needs for climate- and energy-related programs.

Answer. Climate change mitigation technology research by the U.S. Government is conducted at a number of agencies, including the Department of Energy. In order to include all research activities, the Office of Management and Budget prepares the report. The report is now under preparation at the Office of Management and Budget, and we will ensure you receive a copy as soon as it is completed.

QUESTIONS SUBMITTED BY SENATOR BEN NIGHTHORSE CAMPBELL

ENVIRONMENTAL MANAGEMENT PROGRAM

Question. From what I understand, the Department is contemplating a decrease in the Environmental Management Program to meet budget constraints. Can you confirm what, if any, reduction the Environmental Management Program will receive in fiscal year 2002?

Answer. The fiscal year 2002 budget is a principled and responsible effort, one that fulfills President Bush's commitment to moderate discretionary spending while meeting critical requirements in national security, energy, science, and environmental quality. The budget request for Environmental Management activities is $5.9 billion. This request is approximately $354 million less than the comparable fiscal year 2001 appropriation, but essentially the same level as fiscal year 2000.

Cleanup of the Department's sites is an important and a very complicated endeavor. I am concerned, however, that the estimated length of time to complete the work is too long, and the costs to the taxpayer too high. As with other DOE programs, the budget request reflects my challenge to the Environmental Management program to become more efficient. I also have initiated a sweeping Environmental Management Mission Assessment to identify efficiencies and ensure that our principal focus is on accelerating the cleanup of those sites with significant environmental, health, and safety risks. We need to find ways to continue progress and meet our commitments more efficiently and at a lower cost.

Question. Can you explain how you will allocate these cuts, both between headquarters and among the field offices?

Answer. The fiscal year 2002 budget was allocated between headquarters and among the sites by using the program's priorities. Highest priority was given to protecting worker health and safety, then addressing higher-risk problems such as high-level waste, spent nuclear fuel and special nuclear materials. Priority was also given to making progress towards closure at our major closure sites, i.e. Rocky Flats and Fernald. Priority was also given to increasing shipments of transuranic waste to the Waste Isolation Pilot Plant and for developing and deploying innovative technologies.

ROCKY FLATS

Question. As you are aware, Congress established a dedicated Closure Fund within the Environmental Management Program for DOE sites that could close on an accelerated schedule. Congress did this to encourage DOE to focus resources and management attention to get a few sites closed quickly, to reduce risks and to free up funds for other projects. Presently, only the Rocky Flats site in my state of Colo-

rado and a few sites in Ohio are funded from this account. Do you agree with the basic strategy of the closure fund—to close a few sites on an accelerated basis to reduce mortgage costs and to reduce risks?

Answer. Yes, the Department believes it is very important to continue accelerated cleanup at its closure sites. Completion of work at closure sites demonstrates to Congress and other stakeholders that the DOE can successfully close and remediate major contaminated sites in the near-term. Progress towards site closure requires dedicated resources to fully define and implement the plans for accelerated closure. Upon completion of these closure projects, the annual funding used for their closure will be available to support other priority cleanup projects across the country.

This targeted commitment to site closure is evidenced in the Rocky Flats closure contract awarded to Kaiser-Hill. This contract is significantly different from the previous management and integration contracts the Department has entered into. It is a cost-plus-incentive-fee contract that defines a target cost ($4 billion) and schedule (December 2006) for the project. It also includes significant incentives for the contractor to achieve, and even exceed, the contractual goals.

This contracting approach is innovative, and is a model for other closure efforts within the DOE complex. It is not necessarily applicable for all cleanup efforts, but comparable, innovative techniques are being pursued for other contracts to reduce the planned cleanup baseline costs.

Question. What is your policy regarding how budget cuts for DOE will be allocated to the closure fund and to the sites funded out of the closure fund?

Answer. The fiscal year 2002 budget was prepared based on the program's priorities. At all sites, whether funded from the closure account or one of the other accounts, priority was given to protecting worker health and safety. Also, at each site we are requesting adequate funds to address higher potential risks, i.e. high-level waste, spent nuclear fuel, and special nuclear materials. After these priorities were met, the budget does give priority to the closure of our large closure sites, Rocky Flats and Fernald.

GAO REPORT ON ROCKY FLATS

Question. The General Accounting Office (GAO) recently released a report indicating that, not surprisingly, completing the cleanup of Rocky Flats by 2006 would be a monumental achievement. One of GAO's observations is the need for DOE to more comprehensively address the issue of complex-wide integration of activities. Successfully closing Rocky Flats requires the coordination of many different DOE sites and many diverse DOE activities. GAO also observed that closing Rocky Flats requires not only full funding for Rocky Flats at previously committed levels—$657 million a year through 2006—but also funding for other sites around the complex. This funding is not listed in budget documents, but GAO estimated it at $130 million for fiscal year 2002 alone. Does DOE agree with the analysis and recommendations of the GAO that Rocky Flats can only close with enormous cross-complex coordination and with focused leadership from the highest levels of the Department?

Answer. The Department is fully aware that the closure of Rocky Flats requires the support of numerous other DOE sites and organizations. Many of these inter-site activities are actually specified in the Rocky Flats Closure Contract as government-furnished services and items—particularly those related to providing receiver sites for Rocky Flats special nuclear materials and waste material. The Office of Environmental Management has been working to develop detailed project baselines for these inter-site activities. These schedules are being developed in cooperation with the DOE supporting organizations and will be integrated with the contractors' baseline; together they will comprise the Rocky Flats Integrated Closure Project Baseline. This Integrated Closure Project Baseline was reviewed by the GAO and has widely been recognized as a key tool for the management of the Rocky Flats Closure Project and execution of the Rocky Flats Closure Contract.

We would like to clarify that the $130 million referenced in the GAO report is the estimated cost incurred by other DOE sites and organizations in support of Rocky Flats closure from fiscal year 1996 through closure. The costs include container certification and procurement expenses, transportation of special nuclear material and wastes, receiver site facility modifications, and Federal personnel costs at DOE Headquarters for their support to the Rocky Flats closure, as well as other support costs.

Question. Does DOE agree with the GAO that funding activities at other sites is critical to meeting the Rocky Flats schedule?

Answer. Yes, the Department agrees with the GAO report that funding activities at other sites is critical to maintaining the Rocky Flats closure schedule.

Question. What steps is the Department taking to ensure that the necessary coordination takes place to enable Rocky Flats to close on schedule? How do you plan to address the issues among different departmental elements—Defense Program, Health and Safety, Nonproliferation—that must be resolved, according to the GAO, in order to close Rocky Flats on schedule?

Answer. The development of the Rocky Flats Integrated Closure Project Baseline is the key step towards ensuring the necessary coordination among the various Departmental sites and organizations. With the support of the Rocky Flats Field Office and other DOE sites and programs, EM has made significant strides towards implementing a process to identify and address issues related to the provision of the necessary Departmental resources required to support the closure of Rocky Flats.

The establishment of the Integrated Baseline included the development of detailed schedules for those activities by the Department contractually required to support Rocky Flats closure. The effort also included the development of a draft project implementation and management plan that will specifically delineate the responsibilities, authorities and control processes that will be implemented. A process of monthly project status briefings to the Assistant Secretary for Environmental Management has been initiated. During these briefings, the status of the detailed schedules and delivery of contractually required activities is presented in detail, and any issues related to these schedules and activities are identified and discussed. On a quarterly basis, management representatives from the other Departmental sites and programs needed to support the closure of Rocky Flats are invited to participate. In the interim, the Assistant Secretaries work directly with one another to address and resolve any resource issues. To date, these interactions have proven productive. However, in the event that an issue cannot be resolved within 30 days of its identification, the issue will be elevated for resolution.

Question. What steps is DOE taking to ensure all sites that support Rocky Flats closure receive the funding they need to enable a 2006 closure, especially in light of the proposed cuts in the overall DOE program?

Answer. Efforts are underway to enter the resource needs into the Rocky Flats Integrated Closure Project Baseline. This will provide a comprehensive picture of the funds required throughout the DOE complex to support the closure of Rocky Flats. The cost of the activities at other sites have been identified to the extent possible, and were included in the fiscal year 2002 Congressional Budget.

RENEWABLES AND NATIONAL RENEWABLE ENERGY LABORATORY (NREL)

Question. Mr. Secretary, I have an overall concern that the energy efficiency and renewable energy budgets are being reduced at a time when our energy demand has exceeded our energy supply and we should be investing in every available means of producing and saving energy. I have two specific questions about the budget, especially since this affects part of my home state of Colorado.

You may be aware that the National Renewable Energy Laboratory is located in my state. The budget reduction for renewable energy research and development will directly impact the core scientific competency at this laboratory. For example, both the highly-successful wind and photovoltaic programs are cut 50 percent, resulting in potential 50 percent staff reductions in those programs at the laboratory. In the last 20 years, the price of wind energy has dropped from 30 cents/kWh to between 4–6 cents/kWh. Photovoltaic modules have lowered their cost by nearly a factor of ten; the cost of solar systems has been reduced by 50 percent in the last decade. Reducing these programs so dramatically at a time when energy resources R&D is so critical concerns me. Can I get your views on how to bring those budgets back up to more stable funding levels.

Answer. The just released National Energy Policy (NEP) provides a blueprint for how the Administration will increase energy supplies, including renewable energy, and reduce energy demand. The NEP recommends that the President direct the Secretary of Energy to conduct a review of current funding and historic performance of renewable and alternative energy, as well as energy efficiency, research and development programs in light of the recommendations of this report. Based on this review, the Secretary of Energy is then directed to propose appropriate funding of those research and development programs that are performance-based and are modeled as public-private partnerships. The Secretary has announced the start of the strategic reviews, which will involve public input. July 10 is the deadline for the initial phase of the review.

It should be noted that much of the reduction in the requests for renewable R&D reflects proposed cancellation of low priority earmarks that have been funded year after year. Moreover, the budget proposes significantly expanded tax credit programs to promote renewable energy.

FEDERAL ENERGY MANAGEMENT PROGRAM

Question. Another important area that has been cut is in Federal Energy Management Program (FEMP) funded out of Interior Appropriations. The federal government consumes more energy than any other single entity—2 percent of our nation's energy. The FEMP program has been working successfully to reduce spending by the federal government on energy so that our tax dollars can be put back into the Treasury. For example, the Federal building energy bill is down $2.23 billion from 1985 levels; about $900 million of this is due to Federal energy management. These projects leverage $4 in net savings for every $1 invested. Yet, this program has been cut by 50 percent in your budget proposal. Since this program can help taxpayers in the same way a tax cut to the American people can help, can I get your views on how to increase that funding level?

Answer. FEMP services and programs have significantly contributed to the amount of energy used in federal facilities. However, FEMP, like other programs, can and should do more with less. By using their contractors more effectively and by relying more heavily on private sector funding, FEMP can still help the federal government meet the goals of the energy efficiency Executive Orders.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

CLEAN COAL INITIATIVE

Question. I compliment the Administration on creating a new $150 million Clean Coal Power Initiative. I firmly believe that we should capitalize on our two greatest strengths in electricity supply, coal and nuclear. In both cases, we should address risk areas. This new Initiative should be a good start for coal. I'd like to ensure that the Initiative will address issues associated with mining as well as the subsequent combustion processes. For example, a small New Mexico company in Raton has worked with Russian institutes, through the Department's Initiatives for Proliferation Prevention program, to develop instruments that allow remarkable refinement in how coal is mined. This instrument, which actually mounts on the drill head, enables the drill to automatically leave the last few inches at the top and bottom of a coal seam. The majority of the serious heavy metal contaminants in the seam are concentrated at the edges of the seam; thus this new tool allows dramatically cleaner coal to be mined. When burned, that coal then burns much cleaner. Will the Clean Coal Power Initiative include opportunities for advanced exciting new technologies like this, no matter what part of the overall coal utilization cycle they impact?

Answer. The Clean Coal Power Initiative has, as its primary aim, the use of advanced clean coal technology to improve the Nation's electricity supply and availability. To the extent that any proposed project using advanced coal technology can be shown to have a potential significant impact, it will receive due consideration in the review process when competed against other proposed ideas.

OIL AND GAS RESEARCH

Question. I'm very disappointed to note that gas and oil research and development funds were sharply cut in the Administration's budget, by over 50 per cent. These two energy sources play major roles in the current national energy supplies. In New Mexico, I've noted how improved extraction technologies, which depend on continued research and development, have helped to boost production of old wells. I hope that these cuts can be revisited as part of the Vice President's review of energy supply issues. One example of excellent research and development in petroleum production involves the Petroleum Recovery Research Center at New Mexico Institute of Mining and Technology in Socorro. With the reduced budget, will you plan to continue the ongoing strong programs, such as this one at New Mexico Tech?

Answer. While complying with the President's spending priorities and overall budgetary restraint, many of the existing oil and gas technology research and development projects will be continued in the areas of exploration and production. We will continue to provide funding for better technologies that can help producers—especially the smaller, independent companies—produce more oil and gas in the shorter term, the next 1 to 5 years. We also have included money for new drilling and production technologies that would be ready in the much longer-term, 10 years or more into the future. For example, projects with New Mexico Tech could be funded in the President's budget include: Optimization of Infill Drilling in Naturally Fractured Tight-gas Reservoirs and Risk-Based Decision Making Tools.

FUEL CELLS

Question. Fuel cells are generally viewed as one of the most promising technologies for generation of distributed power in the future. They accept a range of fuels and their operation is environmentally friendly. They may represent one of the best ways to move away from our heavy reliance on petroleum products for transportation. The Department's "Budget Highlights" book notes that fuel cells "continue to hold much promise as an on-site generator of electricity, meeting requirements for high efficiency, premium-quality power, and environmental protection." It seems to me that this could be an area that will help to address our energy supply issues in the future. Given the enthusiasm for fuel cells, I'm puzzled by plans to cut the funding for fuel cells by about 14 percent next year. As one example of the excitement and promise of fuel cells, researchers at Los Alamos are proposing a new Center devoted to fuel cells studies. This Center would integrate a number of separate specialities to more efficiently develop commercially-ready systems. What level of funding for fuel cells could be effectively utilized to advance this exciting technology as rapidly as possible?

Answer. Fuel cells, as you indicate, are one of the most promising technologies for distributed generation technology. Although the fuel cell funding request in fiscal year 2002 is less than that in fiscal year 2001, it does reflect a balanced funding approach. We are nearing completion of the fuel cells effort focused on the near-term market entry over the next 2 years. We are now turning our attention to an exciting new program that holds much promise in dramatically reducing fuel cells to less than $400 per kilowatt. Fuel cells, at this cost, could capture much broader market applications in addition to distributed generation. As such, given the stage of program development, the need for fiscal restraint and competing program priorities, we believe that the fuel cell budget request is at an appropriate level.

QUESTIONS SUBMITTED BY SENATOR ERNEST F. HOLLINGS

SAVANNAH RIVER SITE (SRS)

I apologize for bringing the Department of Energy's fiscal year 1902 budget up in this hearing, but the Secretary is not testifying in front of the Energy and Water Appropriations Subcommittee, so this may be my only time to discuss this issue with him. After reviewing the fiscal year 2002 budget for the Department of Energy's Savannah River Site (SRS), I have noticed that the fiscal year 1902 budget is $159 million less than the amount appropriated for the current fiscal year—a year when many important activities were deferred. I am extremely concerned about the unrealistically low level of Environmental Management (EM) funding proposed for the many priority waste management and environmental remediation programs needed at SRS.

I feel that your budget request for the Department of Energy is not adequate for your agency to meet its responsibility to safely store, treat, remediate, and dispose of wastes currently at SRS. Specific examples include:

The removal and vitrification of high-level liquid wastes from underground storage tanks is significantly impacted. These wastes are the greatest threat at SRS to offsite population and the environment. The budget reduction in this area represents a serious violation of previous commitments made by DOE.

DOE activities to develop and test a new capability to process radioactive salt wastes are not adequately funded even though it has been more than three years since the cancellation of the In-Tank Precipitation process (ITP). This capability is necessary to address the space problems at the Tank Farms.

In light of today's historic shipment of Transurantic Waste from SRS to the Waste Isolation Pilot Program in Caralsbad, NM, in your budget funds will no longer be available for shipment of solid wastes to offsite permanent repositories.

Many Federal Facility Agreement commitments for environmental restoration will not be met.

Some commitments associated with the Defense Nuclear Safety Board recommendation 2000–1 will not be met.

Funds for construction of the plutonium storage facility have been deleted.

Programs to receive, store and treat offsite research reactor spent nuclear fuels have been significantly reduced.

Approximately 18 months ago, DOE made the decision to locate all three parts of the plutonium disposition program at SRS. With the importation plan for the plutonium, there was also a clear exit strategy. But, your budget eliminates one of these parts (Plutonium Immobilization) and reduces another (Pit Disassembly and Conversion). Other commitments for environmental restoration involving high-level

wastes as well as other on-site wastes were also made. When compared to the total EM reduction of six percent, a cut of 14 percent for SRS is unreasonable and inequitable treatment for South Carolina. With SRS housing 60 percent of the Department's inventory of stored high-level wastes, DOE's responsibility for environmental remediation and waste management are as great or greater at SRS than any other DOE site, yet your budget priorities are not consistent with this fact.

While I know this is not the proper committee for these questions to be raised, I do hope that you will work with the Energy and Water Appropriations Subcommittee to restore proper funding to these areas.

I also would like you to please respond to the address the following questions:

Question. Mr. Secretary, last week you testified to the House Appropriations on Energy and Water that the Department of Energy Budget for 2002 was sufficient. How are you able to make such a representation when the President's fiscal year 2002 budget will not result in compliance with RCRA and CERCLA requirements at SRS?

Answer. Maintaining compliance at the Savannah River site is a priority. However, we face significant challenges in meeting some of our lower-risk environmental restoration commitments in fiscal year 2002.

The schedule calls for the remaining cleanup to take some 70 years and cost some $200–$300 billion. We believe that is not good enough. Consequently, the Department will undergo a top-to-bottom assessment to focus on what has prevented us from narrowing the cost and efficiency gap and whether our current strategies are appropriate. We are concerned that DOE's own policies and procedures may well cause some of the inefficiency in the program. If the assessment concludes that the Department's own policies are attributable to the lack of efficient progress, the policies and procedures will be changed.

In addition, the Department has asked the Governor in each state in which a major DOE site is located, and the Administrator of EPA, to work with us in this assessment. The Department looks forward to working with the members of Congress, the States and regulatory community to ensure that DOE's environmental management program executes its mission effectively, safely, and in a timely manner.

The Department's goal is for the cleanup program to proceed as fast as possible, and with the minimum necessary commitment of federal resources. Given the pressing needs of the nation in many other areas that affect citizens' well-being, health, and safety, it is DOE's responsibility to ensure that funds are spent wisely and results are maximized. Until our assessment is complete, it is unclear whether any work will need to be deferred.

Question. With the proposed fiscal year 2002 budget reductions at SRS, will the DOE be able to perform all obligations required by the Federal Facilities Compliance Agreement (FFA)?

Answer. The Environmental Management budget continues to place the highest priority on protecting the health and safety of workers and the public at all DOE sites, and continuing work to mitigate higher potential risks. We will ensure that nuclear materials are properly managed and safeguarded. Priority is placed on a number of key projects that reduce potential high risks, provide significant mortgage reduction, or are key to completing activities at other sites. For Savannah River, these projects include producing at least 150 canisters of vitrified high level waste, shipping up to 600 cubic meters of transuranic waste to the Waste Isolation Pilot Plant, completing construction of the melt and dilute technology demonstration facility, beginning construction of the Salt Processing pilot plant and initiating conceptual design of the full-scale plant, and completing all currently planned F-Canyon dissolution campaigns.

Maintaining compliance at the Savannah River site is a priority. However, we face significant challenges in meeting our lower-risk environmental restoration commitments in fiscal year 2002. The Secretary has directed a top to bottom reassessment of the Environmental Management program to examine opportunities for program efficiencies and review existing cleanup strategies. Until this review is completed, it is unclear whether any work will need to be deferred.

Question. With the proposed fiscal year 2002 budget reductions at SRS, will the DOE be able to maintain High Level Waste Vitrification operations and investments needed for continuity of operations to meet the SRS Site Treatment Plan?

Answer. The Department has produced 1,106 canisters of high-level waste glass as of May 15, 2001, which is ahead of our planned production rate. We will continue to meet, or surpass, our goal in fiscal year 2002 with the production of a minimum of an additional 150 canisters of high-level waste glass. Throughout fiscal year 2002, we will maintain the waste removal activities supporting the delivery of feed to the Defense Waste Processing Facility, while optimizing the ratio of sludge and salt to

minimize the total number of canisters required to be produced during the life of the project.

Question. With the proposed fiscal year 2002 budget reductions at SRS, will the DOE be able to meet commitments for shipments of Transuranic Waste to the Waste Isolation Pilot Plant?

Answer. The fiscal year 2002 request continues funding for deployment of a "mobile" facility that will characterize and prepare transuranic waste for shipment to the Waste Isolation Pilot Plant (WIPP). We expect approximately 600 cubic meters of transuranic waste to be shipped to WIPP during fiscal year 2002. This will allow us to meet our transuranic waste shipment commitments for fiscal year 2002.

Question. With the proposed fiscal year 2002 budget reductions at SRS, will the DOE be able to meet the stabilization of nuclear materials commitments to the Defense Nuclear Facility Safety Board?

Answer. The fiscal year 2002 request supports the operation of F-Canyon and FB-Line for stabilization of plutonium residues and Rocky Flats plutonium scrub alloy, and for material characterization, re-packaging and vault operations. The requested funding also provides for startup and operation of HB-Line Phase II for stabilization of plutonium solutions, and operation of H-Canyon for processing of some spent nuclear fuel. These activities support the Defense Nuclear Facilities Safety Board (DNFSB) recommendations 94–1/2000–1.

However, performing some stabilization and packaging activities associated with the DNFSB recommendations will be a challenge. We are exploring options for meeting these commitments at a lower cost. Regardless, we will continue to store all nuclear materials in a safe and secure configuration.

Question. If Congress restores funding to the DOE EM budget for fiscal year 2002, will you, in turn, restore nearly $160 million to the SRS EM budget to assure regulatory compliance?

Answer. Maintaining compliance is a priority for the Environmental Management Program. However, until Congress passes a final appropriations bill and the Department has had an opportunity to evaluate the direction provided by Congress and to consider all program priorities, it would be premature to say how much funding would be provided to any individual site.

Question. Also, it is my understanding that you have suspended the Plutonium Immobilization project at SRS. This project would have taken the plutonium from Rocky Flats that will shortly be received at SRS and converted it to a glass form that would be sent out of South Carolina to Yucca Mountain. Now that you have suspended the PIP project, what are your plans to deal with the Rocky Flats material being received at SRS?

Answer. The National Nuclear Security Administration (NNSA) remains committed to having a pathway out of South Carolina for the surplus plutonium that will come to the Savannah River Site for disposition. Our present intent is to pursue the irradiation of mixed oxide (MOX) fuel in domestic reactors and immobilization for the disposition of surplus U.S. weapon-grade plutonium. While work on immobilization is currently suspended, we plan to resume work on this technology at a future date.

Question. If your plans included using the aging canyon facility for another 20 or more years, doesn't that appear to be a significant risk?

Answer. The National Nuclear Security Administration (NNSA) is evaluating the potential to dispose of surplus plutonium using existing facilities located at the Savannah River Site. Part of this evaluation will address the risk of using the Savannah River Site canyons.

Question. Instead, why don't you consider building a new chemical processing capability to substitute for both the immobilization plant and the pit disassembly and conversion plant to supply plutonium to the MOX facility? It would appear that this would be a much less expensive route than using the aging canyon facility.

Answer. The evaluation study previously referred to will also explore the option of building new capabilities and facilities, such as you suggest, to substitute for the Pit Disassembly and Conversion Facility and the Plutonium Immobilization Plant.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

NATURAL GAS

Question. Over the last several years, federal government energy and environmental policy have had the effect of driving more and more electric power generators into constructing (or converting facilities into) natural gas-fired, rather than coal fired, plants. Mississippi has more than two dozen peaking plants in planning

and construction phases along our state's numerous gas pipelines, all intended to wheel wholesale power to other parts of the country. Other plants that have been constructed for intrastate power usage have been gas fired. The one notable exception is the TVA Red Hills power generation project in Ackerman, Mississippi, which utilizes Mississippi lignite coal.

Natural gas does possess certain environmental and energy efficiency advantage, and its uses extend far beyond energy generation and into areas of pharmaceutical and fertilizer production. However, Mississippi natural gas prices were unaffordable for residential and commercial customers this year, and we are told that the worst may come three years from now when all the new power plants go on line and start to draw from available gas supplies. What projections has the Department made with respect to future demand for natural gas over the next few years?

Answer. Natural gas demand increased by 1 trillion cubic feet from 1999 to 2000, reaching a record high of 22.7 trillion cubic feet. In the May 2001 Short-term Energy Outlook forecast, natural gas consumption is expected to continue this record growth, increasing between 2000 and 2001 by over 1 trillion cubic feet to 24.0 trillion cubic feet. It is expected that the growth will slow to a rate closer to the average annual rate of growth of 2.3 percent per year that is forecast over the longer-term in the Annual Energy Outlook 2001, reaching 24.6 trillion cubic feet in 2002 and 25.2 trillion cubic feet in 2003.

Question. Will the prices for natural gas this year pale by comparison to three years from now?

Answer. We do not expect that to be the case. Natural gas prices have been high in 2000 and 2001 due to higher than expected demand and to tight supplies, resulting from reduced drilling in reaction to low prices in 1998 and 1999. Although EIA's May 2001 Short-Term Energy Outlook (STEO) anticipates that natural gas prices will be considerably higher in 2001 than in 2000 (2000 and 2001 STEO wellhead prices in nominal dollars are $3.62 and $5.27, respectively), prices are expected to subsequently decline to $4.86 in 2002 as increased drilling leads us into a transition period during which natural gas stocks can be replenished. It is not expected that prices will fall to 2000 levels by 2003, but prices around $4.00 are not inconceivable. In the longer-term, technological improvements in natural gas exploration and production and relatively abundant resources are expected to cause prices to continue to decline and slow eventual price increases.

GAS HYDRATE STABILITY ZONE

Question. Deepwater offshore oil and gas development depends on state of the art drilling technology, if we are to tap the once unattainable supplies particularly in the Gulf of Mexico. Mississippi has been a center of this new era of development, and our state looks forward to your Department's focus and encouragement in bringing the new fields on line.

However, many of these deep water resources lie in sections of the Gulf within the gas hydrate stability zone. These frozen methane hydrates may appear to be stable sea floor, but without adequate detection and planning, can destabilize and represent a serious geo-hazard, particularly for any drilling or production rig or pipeline mounted to a section of the sea floor. The methane hydrates also represent a tremendous energy source, which may be important with adequate development to supplying future energy needs. Last year, Congress appropriated $10 million to this problem. The Mississippi Minerals Resource Institute has been an international leader in methane hydrate research, through its marine program known as the Center for Marine Resources and Environmental Technology. Is the Department of Energy committed to continuing this level of research and development in this gas hydrate stability zone?

Answer. The Department of Energy plans to continue its program of methane hydrate research and development in fiscal year fiscal year 2002, at a level of $4.7 million. The program aims to develop the knowledge and technologies necessary for commercial production of methane from hydrates by 2015 while protecting the environment. The work focuses on resource characterization, production, sea floor stability and global carbon cycle implications of methane hydrates.

The methane hydrate program's significant expansion in fiscal year 2001, from $3 million to $10 million, allowed almost $5 million to be committed to funding multi-year, competitively selected projects in the Gulf of Mexico and Alaska. These projects will be started in late fiscal year 2001. In fiscal year 2002, the department will continue its core research with other government agencies and universities. In addition, joint-industry projects selected from the fiscal year 2001 competitive solicitation will continue.

CONCLUSION OF HEARINGS

Senator BURNS. Thank you very much. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 12:25 p.m., Tuesday, May 8, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2002

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold hearings on nondepartmental witnesses, the statements and letters of those submitting written testimony are as follows:]

DEPARTMENT OF THE INTERIOR

PREPARED STATEMENT OF THE COALITION OF NORTHEASTERN GOVERNORS

The Coalition of Northeastern Governors (CONEG) is pleased to provide this testimony for the record to the Senate Appropriations Subcommittee on Interior and Related Agencies as it considers fiscal year 2002 appropriations for the Energy Conservation programs of the U.S. Department of Energy. Within this appropriation, the CONEG Governors request that funding for the Weatherization Assistance Program be increased to $306 million and that funding for the State Energy Program be increased to $75 million in fiscal year 2002.

Recent increases in the price of energy, coupled with the strain on energy infrastructure created by the rapid growth in energy demand, place a new emphasis on making the most efficient use of the nation's energy resources. Energy efficiency is a vital component to a balanced energy policy that yields multiple economic, environmental and national security benefits. Efficient use of energy helps reduce the nation's energy costs and contributes to improved economic productivity.

The Department of Energy's Weatherization Assistance Program and State Energy Program provide valuable opportunities for the states, industry, national labs and the U.S. Department of Energy to collaborate in moving energy efficiency and renewable energy research, technologies, practices and information into households, businesses, schools, hospitals and farms across the nation. Administered by the 50 states, District of Columbia and territories, these programs are an efficient way to achieve national energy goals, as they tailor energy projects to specific community needs, economic and climate conditions.

The Weatherization Assistance Program (WAP) helps low income households better manage their ongoing energy use, thereby reducing the heating and cooling bills of the nation's most vulnerable citizens. According to the U.S. Department of Energy, low-income households spend 14 percent of their annual income on energy, compared to 3.5 percent for other households. The Weatherization Assistance Program strives to reduce the energy burden of low-income residents through such energy saving measures as the installation of insulation and energy-efficient lighting, and heating and cooling system tune-ups. These measures can result in energy savings as high as 30 percent.

The State Energy Program (SEP) helps move energy efficiency and renewable energy technology into the marketplace and ensure that states and communities are prepared for and respond to energy emergencies. Through the SEP, states assist schools, municipalities, businesses, residential customers and others in both the private and public sectors to incorporate the practices and technologies which help them manage their energy use wisely. The modest federal funds provided to the

SEP are also an efficient federal investment, as they are leveraged by non-federal public and private sources.

We request that the Subcommittee increase funding for both the Weatherization Assistance Program and the State Energy Programs. These programs have demonstrated their effectiveness in contributing to the nation's goal of environmentally sound energy management and improved economic productivity.

We thank the subcommittee for this opportunity to share the views of the Coalition of Northeastern Governors, and we stand ready to provide you with any additional information on the importance of the Weatherization Assistance Program and the State Energy Program to the Northeast.

PREPARED STATEMENT OF THE LOWER COLORADO RIVER BASIN STATES (ARIZONA, CALIFORNIA, AND NEVADA)

INTRODUCTION

It has long been said that the Colorado River is the lifeblood of the West. Today, the Colorado River supplies vital water and power resources for more than 20 million people in Arizona, California and Nevada.

Concerns have been raised about the reliability of these water and power resources following the U.S. Fish and Wildlife Service's 1994 designation of critical habitat for four endangered fish species in the Colorado River Basin.

In response, representatives of the U.S. Department of the Interior, Arizona, California, Nevada and Native American tribes, along with various stakeholders and water and power agencies along the Lower Colorado River, have formed a regional partnership, which is developing a first-of-its kind Multi-Species Conservation Program (MSCP) aimed at protecting sensitive, threatened and endangered species of fish, wildlife and their habitat.

The partnership formed a 35-member steering committee, which has been designated by the U.S. Fish and Wildlife Service as an Ecosystem Conservation Recovery Implementation Team (ECRIT) under the federal Endangered Species Act. The steering committee has retained the services of professional facilitator and technical consultant teams to help develop a plan for the MSCP. The MSCP is scheduled for completion in Fall 2002.

PROGRAM DESCRIPTION

The MSCP will work toward the recovery of listed species through habitat restoration and species conservation, and reduce the likelihood of additional species listings under the federal and California Endangered Species Act.

The MSCP planning area includes the historic floodplain of the Lower Colorado River and reservoir full-pool elevations from Lake Mead to the Southerly International Boundary with Mexico. MSCP habitat restoration and preservation activities are intended to address the following habitat types: aquatic, wetland/marsh, riparian and upland desert fringe. It is the intent of the MSCP to re-vegetate native cottonwood-willow and mesquite trees in the floodplain, and remove the non-native salt cedar, or tamarisk, that has become established.

The MSCP will be implemented over a 50-year period. The long-term program is also intended to accommodate current water diversions and power production and optimize opportunities for future water and power development. This comprehensive program will provide long-term environmental compliance for participating federal agencies, pursuant to Section 7 of the federal Endangered Species Act, and non-federal agencies under Section 10. California Agencies will also pursue programs and actions to achieve compliance with California Environmental Quality and Endangered Species Acts.

Over the past four years, interim conservation measures (ICMs) have been developed and implemented to address the immediate critical needs for certain endangered species. ICMs benefiting the endangered Razorback Sucker, Bonytail and Southwestern Willow Flycatcher were initiated.

PROGRAM DEVELOPMENT COST

Current program development costs are projected at about $6.7 million over five years for planning needs and implementation of ICMs. A federal/non-federal cost-sharing agreement is in place for development of the program and implementation of interim conservation measures. The federal and non-federal participants shared program development costs on a "50/50" basis. Among the non-federal participants, the shares were distributed as follows: 50 percent of the non-federal share was

borne by California, 30 percent by Arizona, and the remaining 20 percent by Nevada.

PROGRAM IMPLEMENTATION

The MSCP will be implemented over the fifty-year period beginning in late-2002. However, MSCP proponents are desirous of implementing a series of "pilot projects" in order to begin evaluating potential habitat restoration and species conservation technologies within the planning area. Additionally, the pilot projects would be supplemented with species and habitat monitoring and research programs, providing the basis for a comprehensive adaptive management approach.

PROPOSED PLANNING & IMPLEMENTATION PILOT PROJECT DESCRIPTION

In order to complete the Lower Colorado River MSCP by Fall 2002, and support Reclamation's continued compliance with the 1997 biological opinion, the MSCP Steering Committee has identified several critically needed planning projects which, if developed, ensure overall comprehensiveness of the MSCP. These planning projects are necessary to accomplish the following:

—Provide additional or lacking species and habitat data, evaluations and analyses ($200,000);
—Provide critically needed groundwater and soils data ($200,000);
—Provide for the development of conservation opportunity area site suitability assessments ($500,000);
—Develop conceptual habitat restoration site designs for approximately six sites within the MSCP planning area ($500,000);
—Develop digital elevation mapping (1–2 foot contour intervals) within the MSCP planning area ($200,000);
—Develop updated detailed vegetation mapping within the MSCP planning area ($200,000);
—Provide funds for completion of conservation planning on the Colorado River Indian Reservation ($500,000);
—Provide funds to the California Department of Fish and Game, through the U.S. Fish and Wildlife Service, in support of the Natural Communities Conservation Planning Act requirements and requisite Scientific Review Panel ($200,000); and,
—Provide funds for completion of the development of the LCR MSCP ($500,000).

PILOT PROJECT FUNDING

It is respectfully requested that this suite of proposed LCR MSCP habitat conservation planning and data acquisition projects should be funded with an additional appropriation of $3.0 million to the U.S. Fish and Wildlife Service's Habitat Conservation Planning budget line item.

PREPARED STATEMENT OF THE CHOCTAW INDIAN NATION

On behalf of the Choctaw Indian Nation of Oklahoma, I would like to present the following statement representing our funding requests, for your consideration in the fiscal year 2002 Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) budgets. In addition, we have also identified several national concerns and recommendations for your consideration.

TRIBAL-SPECIFIC APPROPRIATION PRIORITIES

1. $40 million added to the Indian Health Services Division of Facilities & Environmental Engineering (DFEE) to rebuild two tribally-owned clinics on the Choctaw Reservation which will expand the Tribe's health service delivery capability.

SELF-GOVERNANCE AND OTHER NATIONAL CONSIDERATIONS

1. Restore $256,000 for the Self-Governance Communication and Education Project;
2. Provide increase for IHS and BIA to fully fund Contract Support Cost (CSC) to address documented Tribal needs;
3. Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TA) General Increase for inflationary adjustment;
4. Provide $325,000,000 increase for IHS unfunded mandatory, medical inflation, pay costs and population growth needed to maintain existing health care services;

5. +$5 million in the IHS Division of Clinical and Preventive Services to support Oral Health Initiative;
6. Provide increases to allow for Improved Data Quality in the IHS Division of Information Resources;
7. Increase of $100,000 in the Self-Governance Office in DOI for the Tribal Leaders Self-Governance Advisor Committee; and,
8. Support all requests and recommendations of the National Congress of American Indians.

TRIBAL SPECIFIC APPROPRIATION REQUEST

$40 million added to the Indian Health Services Division of Facilities & Environmental Engineering (DFEE) to rebuild two tribally-owned clinics on the Choctaw Reservation which will expand the Tribe's health service delivery capability to an under-served population in southeastern Oklahoma.

The Choctaw Nation Health Care Center in Talihina, Oklahoma opened its doors in June 26, 1999. We were the first tribe anywhere in the United States to build and open our own hospital which is comprised of 147,000 square feet and is built in five main sections. This new Health Care Center features a huge array of services, such as respiratory therapy, outpatient surgery and a women's health clinic. Additional and improved services at the new facility will greatly decrease the need for contract health referrals.

Even with the new health center, we are still unable to provide ample health services to an under-served population of members throughout the southeastern Oklahoma corridor which comprises the Choctaw Nation. The health service needs of the Choctaw people, exceeds its capability and capacity to fulfill these needs because of the remoteness of the reservation.

We are therefore requesting funds to rebuild two deteriorated clinics, which currently have limited capacity, on the Choctaw Reservation. Both the McAlester and the Broken Bow clinics are more than thirty-year old facilities. Our patient load requires additional service capability, even with the Health Care Center in TalihinaI. If these facilities were rebuilt and equipped with state-of-the-art technology, we could expand the capability of the Health Care Center with these satellite facilities which would allow much better access to health services by our people.

Our service delivery area is comprised of 10½ counties in the southeastern part of Oklahoma. Our need is as great as any comparable service area in a metropolitan city. Yet, due to the lack of accessibility such services by our people, there are medical needs which can not be addressed because there are not enough accessible facilities to take the needed health services to the people.

We ask the Committee to consider our request of $40 million to rebuild these two clinics on the Choctaw Reservation.

NATIONAL AND SELF-GOVERNANCE REQUESTS

Restore $256,000 to Self-Governance Office in order to fund the on-going Self-Governance Communication and Education Project (SGCEP).—We are concerned that the Administration's proposal seeks to eliminate critical funding for these Self-Governance activities. Over the past 10 years, the SGCEP has provided technical assistance and factual information about Self-Governance. There are now over 266 Tribes implementing Self-Governance and the request for information regarding this initiative continues to increase. The SGCEP is vital to ensure that Self-Governance and its purposes are clearly understood and consistently developed by participating Tribal governments, federal agency officials and non-participating Tribes. The funding for this Project has never been increased and is now inadequate to keep up with information request. We respectfully request that this funding not only be restored, but increased to meet the real cost of providing these communication services.

Increase BIA and IHS Contract Support Cost (CSC) Funds to address documented need.—CSC funds are required for Tribes to successfully manage their own programs. While the Administration's budget request for fiscal year 2002 includes a modest increase for CSC—(1) an additional $65 million is needed in IHS (excluding the $40 million that has been estimated, but negotiated for the new Navajo Nation contract proposal); and (2) an additional $25 million is needed in BIA to fully fund CSC (excluding direct contract support costs). This shortfall continues to penalize Tribes which elect to operate BIA and IHS programs under the self-determination policy. Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress. We urge the Subcommittee to fully fund CSC for Tribes equal to how other contractors are funded within the federal government.

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustments.—Although the Administration's budget request for fiscal year 2002 includes a $17.5 million increase over fiscal year 2001, this is the third year in a row that the request contains no general increase for TA. This activity includes the majority of the funds used to support on-going services at the local Tribal level including such programs as housing, education, natural resource management and Tribal government services. A recent Congressional Research Service (CRS) Report on Indian-related federal spending trends for fiscal years 1975–2000 states increases in the combined BIA/Office of Special Trustee "current" dollars averaged $46 million per year. But as "constant" dollars (adjusted for inflation), there has actually been a decline of approximately $6 million per year. Over this 25-year period, the total is $150 million! At a minimum, the requested amount will provide for a modest 3.5 percent inflation adjustment for existing Tribal programs and services. We further recommend that TA be revised and possibly renamed "Tribal Family & Community Services" to better reflect the true nature and intent of these programs. We believe that this title will help the Congress better understand the use of these resources.

Provide $325 million for IHS mandatory, inflation and population growth increase needed to maintain existing health care services.—In fiscal year 2000, IHS and Tribal programs had to absorb over 50 percent of mandatory and inflationary cost increases; in fiscal year 1999, 50 percent was absorbed; and, in fiscal year 1998, 70 percent was absorbed. This has been the pattern for the past 8 years. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently constructed facilities. Mandatories should be the first consideration in budget formulation. If unfunded, these cost increases will result in further health service reductions in our Tribal communities.

Provide funding of $5 million in the IHS Division of Clinical and Preventive Services to support the Tribal Leaders Oral Health Initiative.—This initiative seeks to improve oral health status and increase access to oral health services for Indian people. Indian people experience dental disease at rates 2 to 10 times the national average and Tribes currently have great difficulty recruiting dental staff with 25 percent of dentist positions currently vacant. The $5 million will permit the tribes to increase their recruitment activities, improve availability of community water fluoridation, and collaborate more effectively with the IHS and other partners to curb the epidemic of oral disease that confronts Indian people.

Provide increases to allow for Improved Data Quality in the IHS Division of Information Resources.—Tribes are not equipped or financially able to respond to the information gathering and reporting requirements as identified in the Governance Performance and Reporting Act without additional funding to update their reporting capability at the reservation level. Unlike States, they do not receive the assistance from the Federal government to maintain data collection practices and technology. We therefore, request that the Committee seriously considers increasing funds for this effort. Otherwise, the expectations that the remotest of remote populations in this country [Tribal communities] can participate in or keep pace with the economical benefits associated with or resulting from data collection and reporting is truly an unfair expectation.

Increase of $100,000 in the Self-Governance Office in DOI for the continuance of the Tribal Leaders Self-Governance Advisory Committee.—This Committee provides advice and guidance to the Assistant Secretary for Indian Affairs on key policy issues that impact Self-Governance Tribes and has proven to be an effective forum for Tribal leaders to debate and discuss these issues.

Support all request and recommendations of the National Congress of American Indians.

Thank for your allowing me provide this statement.

PREPARED STATEMENT OF THE NEW MEXICO INTERSTATE STREAM COMMISSION

The Colorado River Basin Salinity Control Forum, of which I am a member, is comprised of representatives of the seven Colorado River Basin States appointed by the respective Governors of the States. The Forum has examined all of the features needed to control the salinity of the Colorado River. Those features include, in addition to BLM, activities by the States, the Bureau of Reclamation and the Department of Agriculture. Because of the budgeting process utilized by BLM, I can only presume that there are adequate dollars in BLM's proposed budget to proceed with water quality protection programs needed in the Colorado River Basin to ensure that excess amounts of salts are not contributed to the river system. The President's budget is unknown at this time.

BLM is the largest land owner in the Colorado River Basin and much of the lands that are managed by the BLM are heavily laden with salt. When salt-laden soils erode, the salts are dissolved and remain in the river system affecting the quality of water used from the Colorado River by the Lower Basin States and Mexico. BLM needs to target the expenditure of funds in the amount of $5,200,000 in fiscal year 2002 for activities that benefit salinity control in the Colorado River Basin. It is particularly of concern that the line item titled Management of Lands and Renewable Resources is adequately funded. In addition, BLM needs to target the expenditure of $800,000 of the $5,200,000 specifically for salinity control projects. Experience in past years has shown that BLM projects are among the most cost-effective of the projects undertaken to control salinity in the Colorado River Basin.

The water quality standards adopted by the Colorado River Basin States include a plan of implementation that has a goal of 38,000 tons of salt per year to be removed or controlled by BLM from reaching the Colorado River to prevent exceedance of the standards and unnecessary damages in the United States. Recent studies show that every increase of 30 milligrams per liter of salinity in the waters of the Colorado River can cause an incremental increase in damages of $100,000,000 in the United States. Control of salinity is necessary for the Colorado River Basin States, including New Mexico, to continue to develop their compact-apportioned waters of the Colorado River.

The salinity control program has been adopted by the seven Colorado River Basin States and approved by the EPA as a part of each state's water quality standards. Water delivered to Mexico in the Colorado River is subject to Minute 242 of the United States treaty with Mexico that sets limits on the salinity of the water.

I believe that the Federal Government has a major and important responsibility with respect to controlling salt discharge from public lands. Congress has charged the Federal agencies to proceed with programs to control the salinity of the Colorado River basin with a strong mandate to seek out the most cost-effective solutions. It has been determined that BLM's rangeland improvement programs can lead to some of the most cost-effective salinity control measures available. In addition, these programs are environmentally acceptable and will control erosion, increase grazing opportunities, produce dependable stream run-off and enhance wildlife habitat.

I request the appropriation of $5.2 million in fiscal year 2002 for BLM for Colorado River salinity control activities of BLM in its budget line item Management of Lands and Renewable Resources. Also, I request that $800,000 of that amount be marked specifically for the Colorado River Basin Salinity Control Program. I would very much appreciate any favorable consideration that you may be able to give to these requests. I fully support the statement of the Colorado River Basin Salinity Control Forum submitted by Jack Barnett, the Forum's Executive Director, in request of appropriations for BLM for Colorado River salinity control activities.

BLM has not had a history of adequately reporting its efforts, the associated expenditures and its accomplishments with respect to Colorado River salinity control. Legislation passed last year (Public Law 106–459) requires BLM to report its program for salinity control to the Congress. I fully support this requirement. It is commendable that BLM's budget focuses on ecosystems and watershed management, but it is essential that funds be targeted on specific subactivities and the results of those expenditures reported. This is necessary for accountability and for the effectiveness of the use of the funds. I request that the Committee require accounting by BLM that reports the results of salinity control activities in connection with activities that benefit salinity control.

PREPARED STATEMENT OF CROWNPOINT INSTITUTE OF TECHNOLOGY

This testimony addresses appropriations to U.S. Department of Interior, Bureau of Indian Affairs. Activity: Special Programs and Pooled Overhead: Subactivity: Community Development.

The Crownpoint Institute of Technology (CIT) requests $1.8 Million appropriated through the authorizing authority of Public Law 84–959, "The Adult Vocational Training Act." This Act enables appropriations for tribally controlled vocational/technical colleges, which are not eligible to participate under Public Law 95–471, "The Tribally Controlled Community Colleges and Universities Assistance Act." There are only two such tribal colleges in the nation: Crownpoint Institute of Technology and United Tribes Technical College in Bismarck, North Dakota.

On behalf of the hundreds of primarily New Mexico and Arizona citizens whose lives are greatly improved through the vocational educational offerings of CIT, I thank you Mr. Chairman and Members of this Subcommittee for your fair and gen-

erous assistance in fiscal year 2001 in the amount of $897,000. This funding has been critical in keeping our institution in operation.

We believe that the Subcommittee is already aware that the CIT is a postsecondary vocational/technical educational Institution. CIT is chartered by the Navajo Nation, licensed by the State of New Mexico, and fully accredited as a postsecondary educational institution by the North Central Association of Colleges and Schools. In academic year 2000–2001, CIT enrolls 492 students (headcount), or 423 Indian Student Count/Full Time Equivalency (FTE). Most students reside on the CIT campus. CIT exists entirely as a postsecondary educational institution, campus based on reservation with dormitory student housing.

The Administration's fiscal year 2002 Budget Request to the Congress proposed a decrease of $897,000, essentially an elimination of CIT's entire BIA funding. The appropriation has been utilized to support the operations of our educational institution. The Interior funding has enabled CIT to remain in operation. This proposal to eliminate our educational institutions funding is particularly perplexing in that "Education" is a stated top priority of President Bush's Administration. Eliminating this funding would close down the only vocational/technical college on the Navajo Nation. In fact, the proposal to eliminate CIT's funding would be the only tribal college in the nation so affected. No other tribal college is target for elimination in the Administration's proposal. In view of this, it seems possible that the Administration proposal to single out one tribal college and close it down by eliminating its funding may be based on some misunderstanding about what kind of an entity CIT is.

The Crownpoint Institute of Technology, located on the Navajo Reservation, is a tribal college according to every definition of a tribal college. CIT's is a vocational/technical college with emphasis on vocational/technical education. It is our understanding that CIT is funded under an authorizing statute, Public Law 84–959, "The Adult Vocational Training Act," and is therefore not a line-item or earmark. Providing appropriations to CIT does not give CIT favored treatment, but rather is equitable because there is no tribal college in existence that does not receive Interior appropriations. There are only two tribally controlled vocational/technical colleges in the nation, and they are referenced by name in the appropriations report. All other tribally controlled colleges in the nation are funded under the "Tribally Controlled Community Colleges and Universities Assistance Act," Public Law 95–471. However, CIT is not eligible to receive Interior funding under this Act due to a technical restriction in the law, not because there is any question that CIT meets the institutional definition requirements as a Tribal College. The technical restriction in the Tribal Colleges Act that precludes CIT and UTTC is a provision that limits each tribe to one college. Except for this provision of one college per tribe, CIT is fully eligible to be funded as a tribally controlled college because CIT is a tribally controlled college.

On it's surface, the one college per tribe limitation may seem reasonable. However, under closer examination, the limitation is reasonable only if all tribes draw from tribal enrollments that can be reasonably served by one college. That is, that all tribes have approximately equal populations. In nearly all instances, one college can more than adequately serve one tribe's population. The population of most tribes having one tribal college funded by Interior appropriations ranges from 3,000 to 10,000 members. However, the population of the Navajo Nation is approximately 200,000. The three States of Montana, North Dakota and South Dakota have a combined Native American population of approximately 78,000: yet, these sixteen tribes each have a tribal college. Sixteen tribal colleges serve a tribal population that combined is only 39 percent the size of the Navajo population. In the case of North Dakota, each tribe charters one tribal college and in addition charters a second, the United Tribes Technical College. The Native American population for the entire State of North Dakota including urban and off-reservation areas is only 30,108 (2000 U.S. Census), or 15 percent of the population of the Navajo tribe. Yet, North Dakota has five tribal colleges funded by Interior appropriations.

The size of the reservation served by a tribal college is an additional factor in determining the need for a second tribal college. A significant factor in the founding of all tribal colleges was the geographic absence of higher education access for tribal members. The Navajo Reservation is 26,897 square miles, extending over three State borders (New Mexico, Arizona and Utah). This one tribe's reservation is slightly smaller than the combined five New England States of New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island: and slightly larger than the entire State of West Virginia. The driving time across the Navajo Reservation is nine hours. In the situation of the Navajo Nation, the factors of distance and population combine to justify the need for a second tribal college.

The Navajo Nation is not the only tribe having a second tribal college funded by Interior appropriations. The four tribes of North Dakota, which charter the United

Tribes Technical College (UTTC) in Bismarck, North Dakota, each already have one tribal college funded by Interior under the Tribal Colleges Act: (1) Turtle Mountain (2) Ft. Berthold (3) Little Hoop and (4) Sitting Bull, in addition to UTTC which is the fifth college.

In fact, the Tribal College Act restriction of one college per tribe has not prevented the advent of seven Sioux tribal colleges, three Assinoboine tribal colleges and two Chippewa tribal colleges. Ostensibly, different "bands" among a tribe such as the Sioux or Chippewa, creates a loophole in the tribal college law that enables multiple colleges to one tribe. However, the different "clans" of the Navajo tribe are essentially the same as the bands among other tribes.

Additional justifications CIT has been provided as to why some tribes should have a second tribal college funded under Interior appropriations while Navajo Nation should not include the assertion that tribal colleges which recruit from a national, multi-tribal population require additional funding. There are three colleges in the nation which were chartered to serve a national, multi-tribal enrollment, (1) Haskell, (2) Southwest Indian Polytechnic Institute and (3) Institute of American Indian Arts. These colleges are not tribally controlled colleges, but are either currently or formerly owned and operated by the Bureau of Indian Affairs and were originally founded to serve multiple tribes. Unlike tribally chartered colleges, a particular tribe did not found these colleges. The fact is that most tribal colleges, founded by one tribe, do indeed enroll students from other tribes. This evolution is primarily a result of tribal members relocating to other reservations and/or inter-tribal marriages over generations. This situation does not alter a tribal college's charter or mission, nor does it alter a tribal college's operational funding need. Tribes founded colleges because the population in the immediate area lacked accessible higher educational opportunities. Tribes have not traditionally founded colleges in order to secure federal funding to establish national, multi-tribal college-recruiting students from a national population. This situation would be the antipathy of the reasons for creating tribal colleges in the first place. CIT is open to and welcomes applicants of all tribal affiliations as well as non-Indian citizens. As just one example, CIT has re-trained displaced non-Indian uranium workers from neighboring towns. The fact remains that CIT was founded on the Navajo Reservation because there was a significant unmet need for accessible higher education opportunities among the citizens of the immediate geographic area. This significant tribal population had a dire unmet need due to the absence of accessible postsecondary vocational/technical educational opportunity. Each year, CIT must turn away approximately 200 otherwise qualified applicants from the outlying reservation area due to the insufficiency if campus facilities. CIT is a dormitory-based college including single and married student housing as well as commuters. The town of Crownpoint, New Mexico is a reservation activity center including an Indian Health Clinic. Nonetheless, rental housing for commuting students is exceedingly scarce. CIT's operational costs as a campus-based, vocational/technical college enrolling students from primarily one tribe spread over one 26,897 square mile reservation are essentially similar to a tribal college recruiting students from multiple tribes. The number of tribes from which enrollment is recruited seems extraneous to determining funding need. The number of students regardless of how many tribes they came from seems to be the most significant factor for determining the appropriations need for a tribal college.

The U.S. Congress has developed a long-standing policy over the past three decades to provide federal assistance through BIA to tribally owned and operated on-reservation educational institutions. This Indian Self-Determination policy resulted in equalizing the inequity of K–12 funding for Bureau and tribal-contract schools (Public Law 95–561), for tribally controlled colleges (Public Law 95–471) and for tribally controlled Postsecondary Vocational Technical colleges (Public Law 84–959). If CIT is excluded from Interior appropriations, it will be the only tribally controlled educational institution in the nation that is eliminated. As a result, CIT will assuredly be forced to close its doors.

CIT offers thirteen certificate and seven Associate of Applied Science degree programs in high employment demand fields of study. CIT is in process of developing two additional programs of Dental Assistant and Health Technician to respond to the employment demand in these fields as well. CIT has an outstanding student retention rate averaging 85 percent over eight years, and an outstanding job placement rate averaging over 80 percent for that same time. The BIA has even cited CIT's outstanding placement rate in past budget submission to the Congress. CIT's student body is comprised of 51 percent men and 49 percent women. The average student age is 26, although the actual range is 18 to 64. CIT offers day care of single parent families and parenting skills courses are required for participation. CIT graduates earn an average entry-level salary of $15,000 and of that contribute an average of over $2,000 annually to federal taxes. Over 10,000 students graduate

from high school on the reservation each year. Only 6 percent of these young men and women are bound for off-reservation colleges. CIT enables these young men and women to gain meaningful vocational skills and acquire life-long employment opportunities.

Like nearly all the nation's other tribal colleges, CIT has relied on multiple sources of funding for its existence. CIT's Congressional Delegation has encouraged and lauded our efforts. For the past twelve years, CIT has relied on Labor, HHS, Education Appropriations to the U.S. Department of Education for Carl D. Perkins Vocational Education Act, Section 117 funding for a significant portion of support for its base operations. This funding has been distributed to United Tribes Technical College and Crownpoint Institute of Technology. The statute calls for funding allocation based on Indian Student Count, however actual allocations have been made otherwise. Over the past three years, USDE has significantly decreased CIT's funding under this section every year even though our Indian student count has been increasing. On March 23, 2001, USDE published its intent to eliminate this funding and award it by competition. CIT will lose either $700,000 or all of its funding under this radical redirection. USDE invoked this change without a public comment period or proposed rulemaking notification. CIT was completely unprepared for this loss of USDE funding, which has been our only other source of stable operational funding. The competition will be open to all tribal colleges, which already have their own competitive set-aside under Section 116 Indian program which is an amount more than double that of Section 117. The net effect of this situation for the Crownpoint Institute of Technology is that CIT now has no stable source of federal funding which it can rely on to keep our doors open. We urge this Subcommittee to provide CIT a stable base of operational funding as it does for all the nation's tribal colleges and as it also does for the only other tribal vocational college, UTTC. We deeply appreciate this Subcommittee's consideration of our urgent request for equity in appropriations that will enable the continuation of CIT.

PREPARED STATEMENT OF THE OGLALA SIOUX NATION

The Oglala Sioux Tribal Department of Public Safety submits this statement in support of increased funding for the Department of Public Safety in the fiscal year 2002 appropriation for the Bureau of Indian Affairs. The Department of Public Safety supports the Administration's request for an increase of $5 million for tribal detention programs nationwide. The Department of Public Safety specifically requests an increase of $7.49 million for the operation, maintenance and improvement of our law enforcement system on the Pine Ridge Indian Reservation. The increase includes $2.199 million for the transfer of 74 current law enforcement officers to the Department's 638 contract from a Department of Justice grant and $5.295 million to provide for needed law enforcement officers, detention officers, criminal investigators, traffic officers, and telecommunications officers, as well as additional training, insurance, and equipment.

BACKGROUND

The Department of Public Safety is the Tribe's law enforcement program and was granted a charter by the Oglala Sioux Tribal Council (the "Tribe") and now operates under an Indian Self-Determination and Education Assistance Act Contract ("638" contract). The Department of Public Safety's 638 contract is with the Bureau of Indian Affairs ("BIA") in the United States Department of the Interior. The Department of Public Safety has operated the Tribe's law enforcement program since 1976. The Tribe's reservation, the Pine Ridge Reservation of South Dakota, encompasses approximately 2.8 million acres (the third largest in the United States) and has an on-reservation tribal membership of 35,000 and a service population of 50,000. The Department of Public Safety patrols the roads (paved, gravel and dirt) on the Pine Ridge Reservation which extend for 1,074 miles.

The Tribe is very proud of its law enforcement program and the strides it has made in the past 25 years. Unfortunately, a large population increase combined with some of the highest rates of poverty and other social ills on the reservation have led to an increase in crime rates. Crime incidences are up generally 7.5 percent in the past five years.

The work is dangerous and the Tribe is very grateful for the men and women who put their lives at risk each day. We have attached two short news articles that stress the danger and the need for more funding.

The Tribe's current 638 contract with the BIA provides for $3.013 million in direct funding and approximately $1.2 million in indirect costs (a total of $4.213 million). The Department of Public Safety also currently receives $2.199 million from the De-

partment of Justice's Comprehensive Indian Resources for Community and Law Enforcement (CIRCLE) and the Community Oriented Policing (COPS) programs which provides for 64 law enforcement officers, 6 traffic services officers and 4 school resources officers.

The Department of Public Safety currently employs 101 officers, 27 from the BIA 638 contract and 74 from the CIRCLE and COPS program grants.

NEEDS

The Department's force is still severely undermanned and is far below the national statistical average of 3 officers to every 1,000 citizens. Based on that ratio, and the fact that there are 50,000 Pine Ridge Reservation residents, the Department of Public Safety should have approximately 150 officers on its force. In other words, the Department should add 50 additional officers on patrol from its current patrol size.

The Reservation has high incidences of alcohol and drug abuse, domestic violence, assaults, alcohol-related traffic offenses, trafficking in drugs and alcohol, child abuse, child neglect and other crimes which require investigation and action. In 2000 there were 181 major offenses, 3,851 traffic offenses, and 22,309 misdemeanors and minor offenses including 22 assaults with a deadly weapon, 838 public intoxication, 86 assault and batteries, 129 thefts, 388 disorderly conducts, and 684 instances of leaving a juvenile in need of care, as well as 139 executions of federal warrants on the Reservation. Unemployment on the Reservation ranges from 80 to 90 percent yearly.

The Department of Public Safety' current BIA 638 contract amount of $3.013 million in direct costs is not enough to fully run its program, and the Tribe is exceptionally worried about the potential layoff of 75 percent of its force when the COPS and CIRCLE program grants run out at the end of fiscal year 2002. Thus, the Tribe must plan on finding funding for the 74 officers they are going to lose, as well as an additional 50 officers needed to police the Reservation.

REQUEST

Officers.—The Department of Public Safety has historically not received adequate funding from the BIA under its 638 contract. With a service population of 50,000, the Department would need 150 officers to meet the national standards mentioned above. In fact, the Department would need about 112 officers just to meet the BIA average level of law enforcement services, based on its service area and population. But the Department has never been able to hire anywhere near this many officers.

In fact, without the grants from the Department of Justice, the number of officers on the Reservation would total just 18 percent of the actual number of needed officers.

The training the law enforcement officer have received through the CIRCLE and COPS grants has been invaluable. Officers are being trained to do community policing throughout the Reservation utilizing a cultural approach that emphasizes a traditional "Akicita" (warrior) society approach to policing.

The Department is seeking an increase in funding from the Bureau of Indian Affairs to its 638 contract in the amount of $7.49 million dollars in direct and indirect costs to fully fund its current operations and transfer the 74 officers paid from the CIRCLE/COPS grant to the Department's 638 contract. The funding would also allow the Department to hire an additional 17 juvenile detention officers for the new detention center, and 18 new adult detention officers for the Pine Ridge and Medicine Root detention centers..

The $7.49 million increase would also fund the addition of badly-needed 12 criminal investigators, and 1 new telecommunications supervisor.

Training, equipment, insurance, and vehicles.—The $6.8 million increase includes $2.059 million for the direct cost of operations which includes training for the new officers, investigators, and traffice services officers. The $2.059 million would also provide for training in domestic violence response, child abuse investigations, and drug traffiking.

Our officers and criminal investigators do not have all of the equipment they need to perform their jobs. We have been working to correct the situation, but we cannot remedy the problem without increased funding. For instance, the Department's communications system needs to be computerized and enhanced. With the increase in incidences on the Reservation, the need for an upgrade has increased. Thus, $2.059 million request for direct operations costs also includes funding for the lease of new vans and cruisers to replace the outdated fleet, as well as safety equiment for the new officers, additional insurance, computer upgrades, and a modified police communications system which we have been requesting for several years.

Juvenile and Adult Detention Centers.—The Department is also requesting $231,500 for the operation costs of the new Juvenile Detention Center that is being built. This funding would pay for training, equipment, phones, inmate care and food, maintenance and training. As previously mentioned, the Department is seeking funding for 17 new juvenile detention officers.

Furthermore, the Department's request includes $247,500 for the direct operations costs of operating the two existing adult detention facilities. The new money would allow the Department to pay for inmate food ($100,000 a year) as well as inmate hygiene products and care, supplies and equipment.

CONCLUSION

In furtherance of its recognition and support for law enforcement generally, and for the safety and welfare of the Indian people, the Department resspectfully requests that Congress fund an increase of $7.49 million earmarked for the Department of Public Safety's law enforcement program.

BIA COPS: LITTLE FUNDING FOR BIG PROBLEMS, MAY 2, 2001

Kelmar One Feather was alone when he was called to duty on the Pine Ridge Reservation in South Dakota, responding to a report of two men driving while drunk.

A 18-year veteran of the Oglala Lakota police force, Officer One Feather responded like any officer would and picked the two men up. But before he could reach the reservation's detention facility, he lost control of his vehicle and it overturned.

No one can say with certainty what happened on July 1, 2000. One of his men died in the accident. The other survived, yet was too intoxicated to recall what happened, falling in and out of sleep during the ride.

But the accident could have been prevented, say fellow law enforcement authorities. As is often the case throughout Indian Country, One Feather didn't transport the men in a standard police car but in a sports utility vehicle with no security screen, no security features, and no assurances that his detainees didn't interfere with the father of three and cause the tragic accident.

Officer One Feather died.

One Feather tomorrow joins an ever-growing list of Bureau of Indian Affairs and tribal police officers who have died while on duty. At a special ceremony in New Mexico, One Feather's name will be added to the Indian Country Law Enforcement Officer's Memorial, a tribute to the 78 cops whose deaths are largely the result of underfunded, understaffed, and overworked Indian police forces throughout the country.

Men like White Mountain Apache Officer Tenny Gatewood, Jr., killed in 1999 while responding to a burglary call on a remote part of the Arizona reservation. Women like Officer Esther Todacheene, who died in 1998 while on duty serving the Navajo Nation.

Despite numerous Department of Justice reports pointing out the dire crime, violence, and jail problems that exist in Indian Country, funding for law enforcement remains low. In 2001, just $157 million was allocated for all of the Bureau of Indian Affairs' police programs while officials say at least $500 million is needed.

And while there are only about 2,600 officer serving tribes, there should be, at minimum, 4,300 men and women on the job, say officials. The rural and isolate characteristics of many large reservations pose special requirements on police forces yet most don't have the funding to fulfill the need. Advances made during the Clinton years have helped Indian Country efforts. In 1998, the President directed then Attorney General Janet Reno and then Secretary of Interior Bruce Babbitt to study Indian law enforcement conditions.

The immediate result was an increase in funding. After more than 20 years of no significant movement, the BIA's law enforcement budget has been increased by $49 million since the study's release.

Other improvements aimed at tribes include the Community Oriented Police Services program (COPS). The program, however, is in danger of being cut by the Bush administration just as American Indian men and women are the victims of crime at more than twice the rate of the rest of the country.

In spite of all the dangers, young men and women are seeking to join BIA and tribal police forces. But they also continue to die. So far this year, Indian Country has seen the death of 22-year-old Officer Creighton Spencer. Working on average 55 hours a week, Spencer on March 25 lost control of his vehicle while responding to a call in eastern Nevada, where he serves Indian communities as many as 400 miles apart.

Spencer's name will be added to the memorial next year.

NORTON LISTENS TO TRIBAL POLICE TRAGEDIES, MAY 3, 2001

Secretary of Interior Gale Norton on Wednesday heard some of the most compelling voices in Indian Country as caller after caller to a nationally broadcast radio program told stories of underfunded, understaffed, overworked, and overstressed tribal police officers who put their lives on the line every time they go to work.

"Law enforcement is pretty scary on the reservation here in New Mexico," said an anonymous officer serving a Pueblo in the northern part of the state. Most of the time, he said, "you'll be the only one patrolling" an entire reservation. "I'm a tribal police officer for Standing Rock [reservation in North and South Dakota] and I've heard a lot of talk about reservations being short handed," said Leigh. "That's what ours is right now."

But perhaps the most convincing words came from family members of two recently deceased police officers. The sister-in-law of Officer Tenny Gatewood, Jr. said the White Mountain Apache Tribe suffered greatly when he was killed in 1999 while responding to a burglary call on a remote part of the Arizona reservation.

"When this happened—because it was the first time—it hit the community tremendously," said Dorene. "It affected everybody." A cousin of Kelmar One Feather, an Oglala Lakota officer killed last year while transporting two detainees on the Pine Ridge Reservation in South Dakota, said his death "has really really affected all of us."

"It is a very severe problem here on the Pine Ridge Reservation: law enforcement are not funded to their full potential, police officers are overworked over stressed, they're patrolling alone at night," said Filomene, adding that Kelmar's death was "absolutely unnecessary."

Norton, considered the first Interior Secretary to ever appear on Native America Calling, responded to the stories with sympathy. "Its very saddening to hear the situation the prior caller was talking about," said Norton of Gatewood's death.

She said that the stories like those of Officer Creighton Spencer, who died in March, were a "real tribute to the kind of people who are just at the core of law enforcement." Working an average of 55 hours a week serving Eastern Nevada, Spencer was killed when his car overturned.

"It was a very, very tragic situation," said Norton, who personally telephoned Spencer's widow. Spencer's father, Jack Spencer, died in 1998 under the same conditions while serving Western Nevada.

While Norton recognized the problems facing Indian Country police forces, she said her priority at this point in time is education of Indian youth. But she said keeping communities safe has always been one of her top priorities since her days as Colorado's Attorney General.

Norton's fiscal year 2002 budget proposes about $160 million for law enforcement funding at the Bureau of Indian Affairs. However, acting director of the BIA Law Enforcement Program Walt Lamar pointed out that Indian Country needs at least $500 million to meet acceptable minimum standards. In addition, at least 4,300 officers are needed while there are just about 2,600 now, he said.

Callers emotionally added their pleas for extra funding.

"The federal government passed the Major Crimes Act because they felt . . . justice couldn't be left to the Indians because of their primitive ways," said Gatewood's sister-in-law. "Yet now its the federal government that keeps us primitive because they're not giving us the funding that we need . . . and [by] putting the lives of Indian people . . . at risk every single day."

Kelmar One Feather's name today will be added to the Indian Country Law Enforcement Officer's Memorial, a tribute an ever-growing list of tribal police officers who have died on the job. Family members, a Lakota drum group, and a Lakota spiritual elder will be on hand for One Feather's ceremony.

The memorial is located in Artesia, New Mexico, the home of the Federal Law Enforcement Training Center and the Indian Police Academy.

Ed. Note: Callers' names are spelled here phonetically.

PREPARED STATEMENT OF THE NATIONAL AMERICAN INDIAN COURT JUDGES ASSOCIATION

On behalf of the National American Indian Court Judges Association (NAICJA), I am pleased to submit this written testimony on the fiscal year 2002 Appropriations for Interior Department funding of the Indian Tribal Justice Act (Public Law 103–176) and Tribal Courts (under the Tribal Priority Allocations).

The NAICJA is a voluntary national representative membership association (nonprofit organization incorporated in 1969) of current and former tribal court judges throughout the United States. NAICJA, which represents more than 350 tribal jus-

tice systems nationwide, has a thirty-year track record of providing quality training and technical assistance services for tribal justice systems.

INTERIOR DEPARTMENT FUNDING

Indian Tribal Justice Act and Tribal Court Funding

(1) +$*58.4 million. Full Funding for Indian Tribal Justice Act*.—NAICJA strongly supports full funding ($58.4 million) for the Indian Tribal Justice Act (Public Law 103–176). On December 21, 2000, the 106th Congress re-affirmed the Congressional commitment to provide this increased funding for tribal justice systems when it re-authorized the Indian Tribal Justice Act for seven more years of funding at a level of $58.4 million per year (see Public Law 106–559, section 202). NAICJA strongly supports FULL FUNDING of the Indian Tribal Justice Act as promised in 1993. NAICJA supports funding at a much higher rate since the number of tribal courts and their needs have substantially increased since the Act was made law in 1993—more than eight years ago.

(2) *Tribal Courts—at least $15 million (under the Tribal Priority Allocations Account)*.—NAICJA strongly supports increased funding for Tribal Courts to a level of at least $15 million under the Tribal Priority Allocations (TPA). This minimal increase represents only a minimal first step towards meeting the vital needs of tribal justice systems. It is important to note that funding has steadily decreased since the passage of the Indian Tribal Justice Act. The needs (as recognized by Congress in the enactment of Public Law 103–176 and re-affirmed with the enactment of Public Law 106–559), however, have only been compounded with the passage of time, the increase in tribal courts, the increase of caseloads, population growth, and rise in crime rate in Indian country.

Native American tribal courts must deal with a wide range of difficult criminal and civil justice problems on a daily basis, including the following:

—While the crime rate, especially the violent crime rate, has been declining nationally, it has increased substantially in Indian Country. Tribal court systems are grossly under-funded to deal with these criminal justice problems.

—Number/complexity of tribal civil caseloads have also been rapidly expanding.

—Congress recognized this need when it enacted the Indian Tribal Justice Act—specifically finding that "tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments" and "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation."

—While the Indian Tribal Justice Act promised $58.4 million per year in additional funding for tribal court systems starting in fiscal year 1994, tribal courts have yet to see ANY funding under this Act.

—Since Congress enacted the Indian Tribal Justice Act, the needs of tribal court systems have continued to increase, but there has been no corresponding increase in funding for tribal court systems. In fact, the Bureau of Indian Affairs funding for tribal courts has actually decreased substantially since the Indian Tribal Justice Act was enacted in 1993.

—The 106th Congress re-affirmed the Congressional commitment to provide this increased funding for tribal justice systems when it re-authorized the Indian Tribal Justice Act in December 2000 for seven more years of funding at a level of $58.4 million per year (see Public Law 106–559, section 202).

As Attorney General Janet Reno stated in testimony before the Senate Indian Affairs Committee on, it is vital to "better enable Indian tribal courts, historically under-funded and under-staffed, to meet the demands of burgeoning case loads." The Attorney General indicated that the "lack of a system of graduated sanctions through tribal court, that stems from severely inadequate tribal justice support, directly contributes to the escalation of adult and juvenile criminal activity."

The vast majority of the approximately 350 tribal court systems function in isolated rural communities. These tribal justice systems face many of the same difficulties faced by other isolated rural communities, but these problems are greatly magnified by the many other complex problems that are unique to Indian country. In addition to the previously mentioned problems, tribal justice systems are faced with a lack of jurisdiction over non-Indians, complex jurisdictional relationships with federal and state criminal justice systems, inadequate law enforcement, great distance from the few existing resources, lack of detention staff and facilities, lack of sentencing or disposition alternatives, lack of access to advanced technology, lack of substance abuse testing and treatment options, etc. It should also be noted that in most tribal justice systems, 80–90 percent of the cases are criminal case and 90 percent of these cases involve the difficult problems of alcohol and/or substance abuse.

IMPORTANCE OF TRIBAL COURTS

"Tribal courts constitute the frontline tribal institutions that most often confront issues of self-determination and sovereignty, while at the same time they are charged with providing reliable and equitable adjudication in the many and increasingly diverse matters that come before them. In addition, they constitute a key tribal entity for advancing and protecting the rights of self-government . . . Tribal courts are of growing significance in Indian Country." (Frank Pommersheim, Braid of Feathers: American Indian Law and Contemporary Tribal Law 57 (1995)). Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. Attorney General Reno acknowledged that, "With adequate resources and training, they are most capable of crime prevention and peacekeeping" (A Federal Commitment to Tribal Justice Systems, 79 Judicature No. 7, November/December 1995, p. 114). It is her view that "fulfilling the federal government's trust responsibility to Indian nations means not only adequate federal law enforcement in Indian Country, but enhancement of tribal justice systems as well." Id.

Tribal courts agonize over the very same issues state and federal courts confront in the criminal context, such as, child sexual abuse, alcohol and substance abuse, gang violence and violence against women. These courts, however, while striving to address these complex issues with far fewer financial resources than their federal and state counterparts must also "strive to respond competently and creatively to federal and state pressures coming from the outside, and to cultural values and imperatives from within." (Pommersheim, "Tribal Courts: Providers of Justice and Protectors of Sovereignty," 79 Judicature No. 7, November/December 1995, p. 111). Judicial training that addresses the present imperatives posed by the public safety crisis in Indian Country, while also being culturally sensitive, is essential for tribal courts to be effective in deterring crime in their communities.

There is no federally supported institution to provide on-going, accessible tribal judicial training or to develop court resource materials and management tools, similar the Federal Judicial Center, the National Judicial College or the National Center for State Courts. Even though the NAICJA annually sponsors the National Tribal Judicial Conference, the three-day conference cannot provide the in-depth extensive judicial training necessary to make tribal justice systems strong and effective arms of tribal government.

INADEQUATE FUNDING OF TRIBAL JUSTICE SYSTEMS

There is no question that tribal justice systems are, and historically have been, underfunded. The 1991 United States Civil Rights Commission found that "the failure of the United States Government to provide proper funding for the operation of tribal judicial systems . . . has continued for more than 20 years." The Indian Civil Rights Act: A Report of the United States Civil Rights Commission, June 1991, p. 71. The Commission also noted that "[f]unding for tribal judicial systems may be further hampered in some instances by the pressures of competing priorities within a tribe." Moreover, they opined that "If the United States Government is to live up to its trust obligations, it must assist tribal governments in their development . . ." Almost ten years ago, the Commission "strongly support[ed] the pending and proposed congressional initiatives to authorize funding of tribal courts in an amount equal to that of an equivalent State court" and was "hopeful that this increased funding [would] allow for much needed increases in salaries for judges, the retention of law clerks for tribal judges, the funding of public defenders/defense counsel, and increased access to legal authorities."

As indicated by the Civil Rights Commission, the critical financial need of tribal courts has been well documented and ultimately led to the passage of the Indian Tribal Justice Act, 25 U.S.C. § 3601 et seq. (the "Act"). Congress found that "[T]ribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health, safety and the political integrity of tribal governments." 25 U.S.C. § 3601(5). Affirming the findings of the Civil Rights Commission, Congress further found that "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation." 25 U.S.C. § 3601(8). In order to remedy this lack of funding, the Act authorized appropriation base funding support for tribal justice systems in the amount of $50,000,000 for each of the fiscal years 1994 through 2000. 25 U.S.C. § 3621(b). An additional $500,000 for each of the same fiscal years was authorized to be appropriated for the administration of Tribal Judicial Conferences for the "development, enhancement and continuing operation of tribal justice systems . . ." 25 U.S.C. § 3614.

Eight years after the Act was enacted, how much funding has been appropriated? None. Not a single dollar was even requested under the Act for fiscal years 1994,

1995, 1997, 1998 or 1999. Only minimal funds were requested for fiscal year 1996 and 2000. Yet, even these minimal funds were deleted. Even more appalling than the lack of appropriations under the Act is the fact that BIA funding for tribal courts has actually substantially decreased following the enactment of the Indian Tribal Justice Act in 1993. In December 2000, Congress re-affirmed its commitment to funding of the Indian Tribal Justice Act by re-authorizing the Act for seven more years of funding (see Public Law 106–559, section 202). Now is the time to follow through on this long promised funding and provide actual funding under the Indian Tribal Justice Act!

CONCLUSION

Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. They are the keystone to tribal economic development and self-sufficiency. Any serious attempt to fulfill the federal government's trust responsibility to Indian Nations must include increased funding and enhancement of tribal justice systems.

We welcome the opportunity to comment on the Interior Department's Budget Request for the Indian Tribal Justice Act and Tribal Courts (under the Tribal Priority Allocations). Thank you very much.

PREPARED STATEMENT OF THE GREASEWOOD SPRINGS COMMUNITY SCHOOL, INC.

Mr. Chairman and Members of the Committee: The Greasewood Springs Community School, located on the Navajo reservation, serves the educational needs of 349 students from kindergarten through grade eight. Since July 1, 1996, our school has been operated by a local Board of Directors through a Grant from the Bureau of Indian Affairs pursuant to the Tribally Controlled Schools Act, Public Law 100–297. I would like to take this opportunity to commend the Administration for its proposed increases for Indian programs within the fiscal year 2001 budget. However, in the area of Indian education, a great deal more needs to be done simply to address widely acknowledged shortfalls in the areas of Administrative Cost Grants, Facilities Operations and Maintenance, Student Transportation, and Indian School Equalization Program funding. Specifically, we request the following funding levels within the BIA Office of Indian Education Policy:

—$57.9 million for Administrative Cost Grants;
—$352.2 million for the ISEP Formula program;
—$42.2 million for Student Transportation;
—$57.9 million for Facilities Operations and $57 million for Facilities Maintenance, as well as an exploration of the reasons for shifting maintenance funds out of the school operations budget and language to protect these funds from BIA skimming.

ADMINISTRATIVE COST GRANTS

AC Grants provide funds to tribes or tribal organizations for school operations in lieu of contract support. They are designed to enable tribes and tribal organizations to operate contract or grant schools without reducing direct program services to students. Tribes are provided funds for related administrative overhead services and operations which are necessary to meet the requirements of law and prudent management. When 100 percent of our costs are not funded, we are forced to use critically-needed dollars which should be used to provide classroom instruction to students.

For SY 2001–2002, the BIA projects that 133 schools will be operated under contract or grant status. However, the requested increase from the Administration would only cover 80 percent of the need for Administrative Cost Grants. This is an unconscionable violation of federal law.

In this year's budget request, a great deal of emphasis is placed on alleviating the shortfalls for Contract Support within BIA and IHS, but there is hardly a mention of the need for increased funding for Administrative Cost Grants. AC Grant funding has been frozen at $42.16 million for three years, despite the fact that dozens of additional tribes have contracted to take on school operations. The requested increase of approximately $4 million does not even cover the increase in schools requiring these funds, let alone begin to address the chronic acknowledged shortfall from the need identified by formula for Administrative Cost Grants.

Furthermore, the budget retains the current appropriations language which places a "cap" on the amount of BIA funds that can be spent on AC Grants to the amount appropriated. This language is designed to overturn the Interior Depart-

ment's legal obligation to pay AC Grants to contract and grant schools at 100 percent of the amount determined through a statutory formula. We strongly urge that the Subcommittee reject this language.

FACILITIES OPERATIONS AND MAINTENANCE

Facilities Maintenance Line Item.—The Facilities Operations and Maintenance account was separated into two line items in the fiscal year 2000 budget, a decision that the BIA says was based on a February 1998 Interior Department report on facilities maintenance issues. But in the BIA proposed budget for fiscal year 2001, the newly separated line item for Facilities Maintenance has been shifted into the budget for Facilities Improvement and Repair (FI&R). FI&R funds are distributed on a project-by-project, one-time basis rather than by formula as O&M funds are currently distributed. We hope that before accepting this shift your Committee will make an inquiry into BIA's reasons for shifting this account, and will make a critical accounting of what if any beneficial results will be obtained by this move. If this move will in any way change the formula for distributing these funds to schools or will reduce the desperately needed funds which schools receive under the current formula, we ask that you reject it. Any reduction in the already inadequate formula distributions for the accounts that used to comprise facilities operations and maintenance would be devastating for contract and grant schools.

Operations and Maintenance Funding.—At present, the formula distributions for O&M are grossly inadequate, often insufficient to cover even basic utilities, let alone basic maintenance. We ask that funding for Facilities Operations and Facilities Maintenance be increased to $57.9 million and $57 million, respectively, in order to provide sufficient funding for BIA-funded schools to properly maintain the federal facilities we operate. Adequate formula funding for everyday upkeep of schools is a critical element in assuring that schools will last longer and remain safe for students. There are an absurd number of BIA-funded schools in desperate need of new school construction at present, partially as a direct result of chronic under-funding of basic maintenance at existing school facilities. Congress can save a great deal of money in the long run by investing sensibly in basic maintenance today.

OIEP "Skimming."—A number of Bureau-funded schools have begun to receive communications from the BIA's Education Line Officers in their area instructing that a percentage of their Program Administration funds will be kept by the BIA for purposes of oversight and technical assistance. This runs counter to the entire principle of self-governance and deals a devastating blow to schools that are already struggling to stretch inadequate O&M dollars to meet their basic needs. The BIA already reserves funds for these purposes, and it is indefensible that the OIEP has authorized ELOs to skim further funds from the bare-bones funding that BIA-funded schools receive for operations and maintenance expenses. We ask that the committee include language in the fiscal year 2001 budget to disallow such "skimming" of scarce school resources.

INDIAN SCHOOL EQUALIZATION PROGRAM

The ISEP program, which provides basic instructional funding for students in BIA-funded schools, remains under-funded in the proposed fiscal year 2001 budget. Under the proposal, ISEP would be funded at $333.3 million, resulting in a Weighted Student Unit (WSU) of approximately $3,685. As you know, this level is far below similar expenditures for students in every other school system in the U.S. Unless additional ISEP funding is provided, our educational program will suffer and our students will remain at an inexcusable disadvantage.

Our students need to know that they are just as important as other kids in the United States, and that their education is just as important to Congress as the education of students in other school systems. We ask that you take advantage of the focus on education within the BIA budget to finally do something about this terrible short-shifting of Indian students. We support the National Indian Education Association (NIEA) recommendation of at least $352.2 million for the ISEP Formula program in fiscal year 2001, which would yield a WSU of approximately $4,000 per unit.

STUDENT TRANSPORTATION

The BIA's budget justification estimates that, given a likely increase of approximately 600,000 in school bus mileage in SY 2001–2002, the $38.2 million requested by the Administration for school transportation will allow a payment rate to schools of $2.30 per mile. This is still far below the national average of $2.92 reported for public schools for school year 1993–1994, a figure which is likely much higher today. The discrepancy between funding for student transportation and the actual cost to

schools widens every year, forcing many to dip into their education funds to cover unavoidable transportation costs.

Our reservation has primitive road conditions, with our buses covering 253 unpaved and 289 paved miles every day. We are in dire need of four-wheel-drive buses to enable us to get students to school and back home safely. We are perpetually short of adequate bus drivers under the current level of transportation funding, which leads to transportation problems for many students.

Our transportation budget is hit especially hard during the winter months, when bad road conditions cause our buses to break down on a regular basis. We lack a garage or repair facility to deal with these breakdowns, causing small repairs to require time-consuming and expensive maintenance trips. For example, every single tire repair must be taken to Holbrook, more than 50 miles away. In addition, the lack of a diesel fuel pump at the school forces us to pay extremely high prices for fuel at the Greasewood Trading Post, the closest fuel outlet.

CONCLUSION

Mr. Chairman and Members of the Committee, thank you for considering these requests and for your attention to the welfare of Indian children at the Greasewood Community School. We have appreciated your support over the years, particularly in the fiscal year 1998 fulfillment a promise made by the BIA over a decade ago for construction of a new gymnasium at our school. We are nearing completion in construction of the new gym, and our students look forward to putting it to good use. The administration, school board, teachers, and students of Greasewood Springs Community School thank you for your assistance.

PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

INTRODUCTION

It has long been said that the Colorado River is the lifeblood of the West. Today, the Colorado River supplies vital water and power resources for more than 20 million people in Arizona, California and Nevada.

Concerns have been raised about the reliability of these water and power resources following the U.S. Fish and Wildlife Service's 1994 designation of critical habitat for four endangered fish species in the Colorado River Basin.

In response, representatives of the U.S. Department of the Interior, Arizona, California, and Nevada, Native American tribes, along with various stakeholders and water and power agencies along the lower Colorado, have formed a regional partnership, which is developing a first-of-its kind multi-species conservation program aimed at protecting sensitive, threatened and endangered species of fish, wildlife and their habitat.

The partnership formed a 35-member steering committee, which has been designated by the U.S. Fish and Wildlife Service as an Ecosystem Conservation and Recovery Implementation Team (ECRIT) under the federal Endangered Species Act. The steering committee has retained the services of professional facilitator and technical consultant teams to help develop a plan for the conservation program. The conservation plan is scheduled for completion in Fall 2002.

PROGRAM DESCRIPTION

The multi-species conservation program will work toward the recovery of listed species through habitat restoration and species conservation, and reduce the likelihood of additional species listings under the federal and California Endangered Species Act.

The MSCP planning area includes the historic floodplain of the lower Colorado River and reservoir full-pool elevations from Lake Mead to the Southerly International Boundary with Mexico. MSCP habitat restoration and preservation activities are intended to address the following habitat types: aquatic, wetland/marsh, riparian and upland desert fringe. It is the intent of the MSCP to conserve, protect, and re-vegetate native cottonwood-willow and mesquite trees in the floodplain, and remove the non-native salt cedar, or tamarisk, that has become established.

The MSCP will be implemented over a 50-year period. The long-term program is also intended to accommodate current water diversions and power production and optimize opportunities for future water and power development. This comprehensive program will provide long-term environmental compliance for participating federal agencies, pursuant to Section 7 of the federal Endangered Species Act, and non-federal agencies under Section 10. California Agencies will also pursue programs and

actions to achieve compliance with California Environmental Quality and Endangered Species Acts.

Over the past four years, interim conservation measures (ICMs) have been developed and implemented to address the immediate critical needs for certain endangered species. ICMs benefiting the endangered razorback sucker, bonytail, and southwestern willow flycatcher were initiated.

PROGRAM DEVELOPMENT COST

The cost to develop the long-term conservation plan is projected to be approximately $6.7 million over five years for planning needs and implementation of ICMs. A federal/non-federal cost-sharing agreement is in place for development of the program and implementation of interim conservation measures. The federal and non-federal participants shared program development costs on a "50/50" basis. Among the non-federal participants, the shares were distributed as follows: 50 percent of the non-federal share was borne by California, 30 percent by Arizona, and the remaining 20 percent by the State of Nevada.

PROGRAM IMPLEMENTATION

The MSCP will be implemented over the fifty-year period beginning in late 2002. However, MSCP proponents are desirous of implementing a series of "pilot projects" in order to begin evaluating potential habitat restoration and species conservation technologies within the planning area. Additionally, the pilot projects would be supplemented with species and habitat monitoring and research programs, providing the basis for a comprehensive adaptive management approach.

VIRGIN RIVER PILOT PROJECT DESCRIPTION

Located in the northeastern corner of Clark County, Nevada, the Virgin River Pilot Project is approximately 60 miles northeast of the City of Las Vegas. This project area is to the south of Interstate 15, and it extends from the City of Mesquite southwest nearly 35 miles to the Lake Mead National Recreation Area. Encompassed within this project area is a mosaic of Federal, State and privately held lands totaling sum 31,300 acres.

The Virgin River Pilot Project provides numerous opportunities for LCR MSCP covered species conservation, and it has a high potential of creating synergies between the LCR MSCP and a number of other regional planning and environmental programs. Over 300 wildlife species occur along lower Virgin River corridor. Of these, at least 23 have been proposed for coverage by the LCR MSCP. Anticipated actions for this pilot project include acquisition/conservation of privately held lands, enhancement of riparian and wetland habitats, and collaboration with ongoing Federal, State, and local agency planning and environmental efforts.

PROJECT AREA DESCRIPTION

The Virgin River is a natural flowing perennial stream, which originates in the mountains of southern Utah and terminates at the Overton Arm of Lake Mead, Nevada. Within the project area, the floodplain is broad (over a mile in several places) and the stream is braided during most of the year. Soils are predominately sands, and the riparian vegetation is dominated by the nonnative shrub Tamarix. Relatively small clusters of native riparian and wetland vegetation are scattered throughout the floodplain. These clusters of native vegetation provide valuable habitat for many native and several federally listed threatened and endangered species.

The lower Virgin River corridor is biologically rich as it supports over 300 wildlife species. During the spring and fall, migrating flocks of ducks, geese, white pelicans and many other birds forage and take refuge along the river corridor as they migrate through the region. Other bird species like the western yellow-billed cuckoo and the Federally endangered southwestern willow flycatcher use the area for breeding and raising young. Presently, the Colorado River Basin's second largest breeding population of southwestern willow flycatcher is located in this area. Other federally listed endangered species that are known to occur within the project area include the following:

—Yuma clapper rail;
—Woundfin;
—Virgin River Chub; and,
—Desert Tortoise.

Human land use activities within the project area include urban development within and around the City of Mesquite, agriculture, and motorized recreation. All

three of these activities are potential threats to the Virgin River ecosystem and could potentially be mitigated with this project.

PROJECT ACTIONS

In keeping with the intent of the LCR MSCP, acquisition and/or conservation of privately held lands in the Virgin River floodplain is a primary component of this project. There are over 9,000 acres of private lands within the project area, and approximately 1,000 acres are proposed to be acquired and/or conserved as part of this project. There are currently parcels available for purchase, but values vary in price to a large extent.

Restoration of riparian and wetland habitats on acquired/conserved private lands and on existing public lands will be an important component of this project. As stated above, the nonnative shrub Tamarix dominates the riparian community, and relatively small clusters of native riparian and wetland vegetation provide substantial benefits to the native vertebrate species. An aggressive program of Tamarix eradication and native species revegetation in the project area will provide significant benefits to those species of interest to the LCR MSCP.

In addition, implementation of this pilot project will potentially enhance ongoing regional planning and environmental programs that intersect at the Virgin River corridor. These programs range from endangered species recovery implementation to public lands disposal. Following is a partial list of these programs:

—Bureau of Reclamation Southwestern Willow Flycatcher Habitat Acquisition;
—Clark County Multi-Species Habitat Conservation Plan;
—Lincoln County Land Act of 2000;
—Southern Nevada Riparian Restoration Initiative;
—Southern Nevada Public Land Management Act of 1998;
—Virgin River Fishes Recovery Implementation Team;
—Virgin River Resource Management and Recovery Program; and,
—Virgin River Tamarix Workgroup.

POTENTIAL PROJECT BENEFITS

Potential benefits of this pilot project include:

—Habitat conservation and restoration for several Federally listed and sensitive species that are proposed covered by the LCR MSCP (most importantly southwestern willow flycatcher, Yuma clapper rail and yellow-billed cuckoo);
—Consolidation of land use types in an area troubled by checkerboard land use;
—Opportunities for collaboration among several regional planning and environmental programs; and,
—Potential to provide a portion of Nevada's overall commitment to long-term implementation of the LCR MSCP.

FUNDING

It is proposed that the acquisition, preservation, and restoration of lands along the Lower Virgin River, on behalf of the LCR MSCP, be funded through the Land and Water Conservation Fund, for which the federal, tribal, and state MSCP participants shall receive credit as part of their conservation commitments. Currently, it is estimated that approximately $7,000,000 will be required toward this effort. Once acquired, title to these parcels would be transferred to adjacent federal or state land managers.

PREPARED STATEMENT OF THE SAUK-SUIATTLE INDIAN TRIBE

The Sauk-Suiattle Indian Tribe, in Washington State, has 240 members and is signatory to the 1855 Point Elliott Treaty. An historic land survey was conducted to establish a reservation base for our Tribe but it was never finalized due to the untimely death of the surveyor. We were a landless tribe prior to 1980, when we purchased 23 acres of land near our original homelands in the foot hills of the Cascade Mountains. As a small tribe, our needs are magnified, as the basic tribal government support resources just aren't available. All the operations costs are funded under grants and contracts, as there are no tribal funds, meaning shortfalls and the Tribe can not cover reductions. These requests for increases are to be added to the base budgets in the fiscal year 2002 on the following priority. Tribe's total request is $7.746 Million.

TRIBAL LEVEL APPROPRIATIONS PRIORITIES

1. +$250,000 to Tribal Budget Base for Government operations, in the BIA TPA Tribal Government Account to strengthen core administrative staff & update equipment. Request 100 percent Contract Support (not 75 percent);

2. +$3.5 Mil. for planning and acquisition studies to address the threat to the reservation property, homes, and infrastructure, impending from the Migration of the Sauk River. The Sauk River is regulated by the Federal Wild and Scenic River Act. Current planning by the Corps of Engineers is underway to protect the reservation but only guaranteed for the short term;

3. +$600,000. For community water and sewer systems improvements. This includes a number of projects described in the IHS engineering report;

4. +$1.626 Mil. to restore the Mountain Goat herds depleting in the North Cascades and for a 5 yr. study. The mountain goat is integral to the cultural heritage of the Sauk-Suiattle. The last hunt was 6 yrs. ago;

5. +$100,000 to Education in the BIA Education Program Account.

Other requests.—+$100,000 to do a Comprehensive Needs Assessment, a one-time non-recurring cost to TPA, BIA. 1989 is the last and only study; +$750,000 for Cultural Research funding for anthropological and archaeological studies specific to Sauk-Suiattle. No research studies, published or unpublished, exist on the Sauk-Suiattle. Needed for Land Acquisition, to preserve tribal history, and to restore language. To be added to the BIA Office of Trust Responsibility Account for the Tribe; +$575,000 to develop economic enterprises, added to BIA Tribal Government Account; +$95,000 to Tribal Base for Indian Child Welfare for additional staff, program enhancements, program resources, and the development of a much needed short term emergency placement home for foster children, add in the BIA, TPA for Human Services, ICWA Account; +$100,000 to BIA Law Enforcement, addition for program operation, salary increases, equipment, training, and jail contract funds. To be added to the BIA TPA, Public Safety and Justice, Law Enforcement Tribal Agency Account; +$50,000 to Tribal Housing Base Budget for HIP and administrative management; Request U.S. Goverment to streamline the Fee-to-Trust process and make it less complicated. Place acquired 9.98 acres land, adjacent to the Tribe's Administrative Office, into trust status. This land will not to be used for gaming. Also, the Caskey Lake 50.8 acres land, 3 miles from the reservation, into trust land status; Request U.S. Government to place Indian allotments under '638 Management and for title ownership of the Tenas Creek and Suiattle Cemetery lands, plus two additional 50 acres surrounding the two cemetery parcels. Need to clear up the question of ownership resulting from the multiple jurisdiction and joint responsibilities that now exists. It will clear up the U.S. Forest Service, BIA, or Sauk-Suiattle ownership. (Mitigating settlement has not yet been achieved from damages caused by the U.S. Navy's use of the Suiattle Cemetery for training maneuvers in 1997).

REGIONAL APPROPRIATIONS PRIORITIES

Support the following regional requests listed: Northwest Intertribal Court System, Skagit System Cooperative, Northwest Portland Area Indian Health Board, Northwest Indian Fisheries Commission, Western Washington Indian Employment and Training Programs, Affiliated Tribes of Northwest Indians, and the Small Tribes of Western Washington organization.

NATIONAL APPROPRIATIONS PRIORITIES

Support the national issues and requests advanced: National Indian Health Board, National Indian Education Association, and the National Congress of American Indians.

PRIORITY REQUESTS—NARRATIVE

Increase in Core Tribal Government Staff.—The Tribe requests a $250,000 appropriation increase above the $160,000 minimum appropriated to the BIA Tribal Priority Allocations, Tribal Government, Other Aid to Tribal Government Budget Base to strengthen its position to maintain key staff and to update its office equipment. The Tribe seeks to employ a planner/grants writer, a business development planner, and management assistant to advance and strengthen its government. To include 100 percent contract support costs, not just 75 percent as fiscal year 1999.

Channel Migration of the Sauk River.—The Sauk River threatens to change channel directly impacting the protection of reservation housing and infrastructures. Army Corp of Engineers is currently working with the Tribe and willing to guarantee protection for the short term. Current reservation lands now have severely limited development potential due to the rivers migration. Funding is necessary to

find lands that can reasonably support Tribal needs. Funding is requested for new land purchase and infrastructure development.

Community water and sewer system improvements.—This includes a number of projects described in the IHS Engineers Report. Improvements will correct sanitary and environmental deficiencies, and extend the useful life of these systems and provide for more efficient operations. Projects range from repairing failing septic drain fields to replacing the current leaking tribal water tank and making it capable of delivering sufficient head pressure to fight fires.

Mountain Goat Herd Restoration.—For the restoration of the mountain goat herds which has depleted in the North Cascades. The mountain goat is integral to the cultural heritage of the Tribe. It is a Tribal resource providing for the unique mountain heritage of the Tribe's culture. It is a source for food, cultural objects, and a basis for a cultural belief system. The last hunt by Tribal members was 6 years ago due to lack of sufficient number of goats. The $1.626 Mil. requested would provide funds to restore the goats in the North Cascades range, and conduct a five-year study to develop preservation and protection plans of this tribal resource.

Increase in Educational Program.—The Tribe's current 638 contract with BIA only provides funds for 20 percent of the Tribal members seeking further education. The Tribe requests that BIA Education funding be increased by $100,000 to provide educational opportunities to Sauk-Suiattle Tribal members to attain their education. Our base budget includes less than $4,000 for college costs, even with almost half of the population of college age.

Needs Assessment.—For a Comprehensive Needs Assessment of the Tribal community population to determine social, economic, education, housing, environmental and cultural preservation needs. The Assessment will provide information for short and long term Tribal planning to enhance the delivery of coordinated services to Tribal community members. This request of $100,000 is for a one-time, non-recurring cost.

Cultural Research Funding & Special Appropriation for Land Acquisition Study.—The Sauk-Suiattle Tribe has 240 members, 20 houses, one community building and no vacant suitable land for the creation of a Tribal economy. The Tribe's unemployment rate is more than 65 percent. Over 80 percent of employed tribal members make less than $7,000 a year. The Tribe could provide employment, generate Tribal revenue, decrease dependence on federal funds, and enable Tribal members to return to their ancestral homelands with the increased land base. The Tribe requests a special appropriation of $750,000 to the BIA for the Tribe to purchase land and conduct formal archaeological studies on identified sites, including the recording of tribal history and culture through an anthropological study, a recording of our unique language, and restoration of the language. The Tribe's intellectual cultural properties are protected in the design of this research project concept. No formal studies exist on the Sauk-Suiattle Indian Tribe to form a constructive base to advance its issues, although the Tribe is identifying potential sites, identifying and recording cultural resources, and responding to "tribal cultural property" concerns.

Increase Economic Development Enterprise.—The Sauk-Suiattle Indian Tribe is focused on developing economic self-sufficiency. Since these efforts require dedicated time to expedite results, the Tribe requires stable "economic incubation" funding for a period of 3 years in order to: (1) Hire a business manager/planner to focus on the effort, (2) Develop business plans, (3) Developing business codes, and (4) Initiate a viable financial enterprises. The tribe has calculated a three-year cost of $575,000 for this project.

Also, with the Tribal Economic Enterprises, members of the outside community may benefit with employment, due to the economic downturn in forest product work. The local community is designated a depressed timber area.

Increase in BIA Indian Child Welfare.—Requests that $95,000 in appropriation be added to the Tribe's base budget of $50,000 through the BIA Tribal Priority Allocations, Human Services, Indian Child Welfare Act account for ICW program development or enhancements. The increased funds will go towards: (1) A proposed "Emergency-Crisis Placement Home," (2) To develop a training program for the non-Native foster families serving the Tribe to better understand the Tribe's culture; and (3) A "Family Reunification program that will provide resources and training for families 19at risk' or ready to reassume their roles as parents. There are 80 member children under the age of eighteen.

Increase in BIA Law Enforcement.—The Tribe has only two police officers, one with the COPS grant. Jail facilities are hours away. The Tribe requests a $100,000 increase, to be added to the BIA Tribal Priority Allocation, Public Safety and Justice, Law Enforcement Tribal/Agency Budget Base. The Tribe can then raise the salary to a comparable level to the surrounding area, provide jail contracts for deten-

tion, training academy of both officers, uniform and equipment for the officers, equip a mobile mounted camera on the police vehicle, install a computer in the car, purchase the software used by the state police, and improve operation costs.

Housing.—Addition to the Housing Improvement Program (HIP) to repair and improve current houses of the Tribal members. Plus, provide for administrative costs to manage the housing program. The $50,000 requested would provide the funds to cover these costs.

Fee to Trust.—The Tribe request that the Fee-To-Trust process be streamlined and made less complicated. There are two parcels of land that the Tribe wishes to be put in trust status. First, the 9.98 acres located adjacent to the current reservation. Second, the 50.8 acre Caskey Lake, located approximately 3 miles from the reservation. The Tribe has No intention, nor is it feasible, due to location of these properties, to use these parcels for Gaming. It may be utilized for other enterprise development to create jobs that will benefit the Tribe and the local non-Indian community. The Tribe submitted requests in July 1998 to have the Secretary, DOI, to transfer the lands from fee to trust status.

Allotments.—There are also several thousand acres of unresolved Tribal allotments that should be factored into study. These lands (5,000 + acres) were allotted to Tribal members and then taken without compensation in 1897 when the Mt. Baker-Snoqualmie National Forest was created. Tribal cemeteries are located within the area of the allotted lands. The cemetery sites are sacred sites and need protection. We need documents of the U.S. Forest Service that show they're "holding in trust" these sites. This proposal is to initiate the 19638 management of these sites by the Tribe under the BIA trust status. This will clear up the ownership issue. (Mitigating settlement has not yet been achieved from damages caused by the U.S. Navy's use of the Suiattle Cemetery for training maneuvers in 1997).

We urge the Congress to remember our small tribal government, our management problems and needs, and provide support with sufficient appropriations. We urge that funding for tribes, their programs and their developments be given the highest priority. Thank You.

PREPARED STATEMENT OF THE UNITED TRIBES TECHNICAL COLLEGE

For thirty two years, United Tribes Technical College (UTTC) has been providing postsecondary vocational education, job training and family services to Indian students from the Great Plains and throughout the nation. The request of the United Tribes Technical College Board for the fiscal year 2002 Bureau of Indian Affairs budget is:

—$4 million in BIA funds for UTTC, which is $1.6 million over the fiscal year 2001 enacted level.

—Contract support costs to be funded at 100 percent of the negotiated rate. We annually absorb approximately $100,000 in contract support costs and have unrecovered costs over the past 10 years of $1.4 million.

—Requirement that the BIA place more emphasis on job training and vocational/technical education. The Adult Vocational Training program, funded at $8.8 million in fiscal year 2001 is but a shadow of its former self. There is no BIA Leadership or advocacy for job training or vocational/technical education at the central or area levels. UTTC, whose budget is located in the "Special Programs and Pooled Overhead/Community Development" portion of the BIA budget suffers from, at best, a lack of interest from the persons who work with that portion of the budget who primarily work on BIA administered accounts. Other tribally based colleges are in the "Other Recurring/Education" portion of the budget.

United Tribes Technical College: Unique Inter-tribal Educational Organization.—Incorporated in 1969, United Tribes Technical College is the only inter-tribally controlled, campus-based, postsecondary vocational institution for Indian people. We are chartered by the five tribes in North Dakota and operate under an Indian Self-Determination contract with the BIA. We currently enroll 371 students from 32 tribes and 14 states. In addition, we serve 155 children in our pre-school programs and 175 children in our elementary school, bringing the population for whom we provide direct services to 701. In some years our students come from as many as 45 tribes.

Occasionally people assume that UTTC is funded under the authorization for the other tribally controlled postsecondary institutions the Tribally Controlled Community Colleges Act. We do not receive funding through the TCC Act. We have much in common with the other tribally controlled colleges and are part of the American Indian Higher Education Consortium. What distinguishes us from the other tribally

controlled colleges is that we are chartered and controlled jointly by multiple numbers of tribes and our primary focus is postsecondary vocational education. Additionally, our campus-based family housing is unique.

UTTC Course Offerings/Partnerships with Other Educational Institutions.—UTTC offers 9 Certificate and 14 Associate of Applied Science degree programs. We are very excited about the recent additions to our course offerings, and the particular relevance they hold for Indian communities. These new programs are:

—Injury Prevention
—Distance Learning
—Food & Nutrition
—Computer Support Technician
—Tribal management, including gaming management

Injury Prevention.—Through our Injury Prevention Program we are addressing the injury death rate among Indians, which is 2.8 times that of the total U.S. population (Source: IHS fiscal year 1999 Budget Justification). We received assistance through the IHS to establish the only degree granting Injury Prevention program in the nation.

Distance Learning.—We are bridging the "digital divide" by providing web-based education and Interactive Video Network courses from our North Dakota campus to American Indians residing at other remote sites, including the Denver Indian community. Training is currently provided in the areas of Early Childhood Education and Computer Literacy. By the year 2005, students will be able to access full degree programs in Computer Technology, Injury Prevention, Health Information Technology, Early Childhood Education, and Office Technology, and others from these remote sites.

Food and Nutrition/Diabetes.—UTTC will meet the challenge of fighting diabetes through education. As this Subcommittee knows, the rate of diabetes is very high in Indian country, with some tribal areas experiencing the highest incidence of diabetes in the world. About half of Indian adults have diabetes (Diabetes in American Indians and Alaska Natives, NIH Publication 99–4567, October, 1999)

The College currently offers a Food and Nutrition Associate of Applied Science degree to increase the number of American Indians with expertise in human nutrition and dietetics. Currently, there are only a handful of Indian professionals in the country with training in these areas. Future improvement plans include offering a Nutrition and Dietary Management degree with a strong emphasis on diabetes education and traditional food preparation.

We have also established the United Tribes Diabetes Education Center to assist local Tribal communities and UTTC students and staff in decreasing the prevalence of diabetes by providing diabetes educational programs, materials, and training.

Computer Support Technician.—High demand exists for computer technicians. In the first year of implementation, the program is at maximum student capacity. In order to keep up with student demand, UTTC will need more classroom space, computers and associated equipment, and instructors. Our program includes all of the Microsoft Systems certifications which translates into high income potential.

Job Training and Economic Development.—UTTC is a designated Minority Business Center serving Montana, South Dakota and North Dakota. We also administer a Workforce Investment Act program and an internship program with private employers. And, thanks to a Kellogg Foundation grant, we are assisting tribes and tribal members in the Aberdeen Area with rebuilding buffalo herds.

Coordination with State Welfare-to-Work Efforts.—UTTC is working in cooperation with the state of North Dakota and Tribal JOBS programs on addressing the effects of welfare reform. The campus Child Development Center provides early childhood services for 91 families. This includes an Extended Care program so that students are able to complete TANF work requirements, complete Cooperative Education internships with private employers, and complete other work activities.

In North Dakota, only 33 percent of state TANF recipients are allowed schooling as a work activity. The 12-month statutory limit on length of time a TANF recipient can be enrolled in a vocational education course of study presents additional barriers for single parent families. This limits TANF recipients to taking one-year certificate courses at UTTC. Our experience shows that the students who graduate from a two-year, rather than a one-year, course of study have significantly higher earning power. Many of our students come to UTTC planning to take a one-year course, and then, finding themselves in a supportive environment and seeing the economic benefit of the longer course, decide to work for the two-year degree.

New Study Documents our Facility/Housing Needs.—The 1998 Perkins Act required the Department of Education to study the facilities, housing and training needs of our institution. That report, conducted for the Department of Education by the American Institutes for Research, was published in November 2000 ("Assess-

ment of Training and Housing needs within Tribally Controlled Postsecondary Vocational Institutions, November 2000, American Institute of Research") The report identified the need for $16,575,300 for the renovation of existing housing and instructional buildings ($8 million if some existing facilities are converted to student housing) and $30,475,000 for the construction of housing and instructional facilities.

UTTC continues to identify housing as its greatest need. UTTC has a huge waiting list of students some wait from one to three years for arrival. New housing must be built to accommodate those on the waiting list as well as to increase enrollment. Existing housing must be renovated to meet local, state, and federal safety codes. In the very near future, some homes will have to be condemned which will mean lower enrollments and fewer opportunities for those seeking a quality education. Single student housing must also be built and expanded to meet the College's needs.

Classrooms & Offices.—This type of space is at a premium. The College has literally run out of space. This means that the UTTC cannot expand its course offerings to keep up with job market demands. Most offices and classrooms that are being used are quite old and are not adequate for student learning and success.

OTHER AREAS OF NEED

Devastating Utility Increases.—Utility costs have skyrocketed due to increases in natural gas. UTTC's utility costs have increased by 65 percent. This has put a major added burden on the school and is causing a funding dilemma, since we do not have the option of relying on state appropriated resources or other fixed cost revenues.

Inadequate Salaries.—We were able to provide a cost-of-living increase for our employees last year. However, our faculty and staff still receive salaries that are lower than any state college system in the 50 states. (Source: Integrated Postsecondary Education Data Systems Report of the U.S. Bureau of the Census and the Department of Education Office of Education Statistics.)

Course Offerings/Student Services.—We hope to change some of our courses to better meet new market demands, e.g. training to increase the number of students in the allied health professions, updating of technology. We also need to expand our diagnostic capabilities in tribal-specific areas and in the areas of literacy and math-science background. And, we want to make improvements in our student follow up, career development, and job market research efforts.

UTTC Seeks Non-Department of Interior Funds.—UTTC is aggressive in seeking non Interior funding for special needs, e.g., the College recently received funding from the American Indian College Fund to purchase 132 acres of land. The additional acreage has given the College the ability to strengthen its infrastructure and increase its capacity. UTTC has midterm plans to serve 1,000 Indian students from throughout the nation.

Our elementary school received a Department of Education grant for computer technology, and was one of five BIA system schools to receive this funding. We also received a Kellogg Foundation grant to develop buffalo management skills for the tribes and their members throughout the Aberdeen Area, as they attempt to rebuild herds of buffalo decimated more than 100 years ago. And last year we received a major two year grant from Department of Labor, Employment and Training Administration to develop curriculum for the Associates of Applied Science degree in Tribal Tourism, which will be the first in the nation. Additionally, our Injury Prevention Program has been assisted through a grant from the Indian Health Service.

The above mentioned grants are highly competitive, restrictive, one-time grants, and they cannot provide for day-to-day operations. We cannot survive without the basic operating funds which come through the BIA.

Thank you for your consideration of our request.

PREPARED STATEMENT OF THE JICARILLA APACHE NATION

Mr. Chairman and distinguished members of the Committee, I would like to thank the Committee for the opportunity to submit testimony on behalf of the Jicarilla Apache Nation. The Jicarilla Apache Nation believes that obtaining funding through the congressional appropriations process is a core part of the United States Government fulfilling its trust responsibility and obligations to the Indian Nations. Therefore, we call upon the you and the Committee to uphold the trust responsibility which forms the basis of the government to government relationship between the Jicarilla Apache Nation and the United States Government. The Jicarilla Apache Nation requests $5 million in earmark funding in fiscal year 2002 for the rehabilitation of the federally owned water delivery and wastewater systems in the community of Dulce on the Jicarilla Apache Reservation. Furthermore, the Jicarilla Apache Nation believes that the President's fiscal year 2002 budget request for In-

dian programs does not meet the current needs of the tribes. The following testimony discusses the specific needs of the Jicarilla Apache Nation and some of the broad areas of the proposed fiscal year 2002 budget for the Bureau of Indian Affairs ("BIA") and the Indian Health Service ("IHS").

BACKGROUND OF THE JICARILLA APACHE NATION

The Jicarilla Apache Nation ("Nation") is a federally recognized Indian Nation organized under the Indian Reorganization Act and governed by the Jicarilla Apache Legislative Council ("Council"), an 8-member elected body. A President, Vice President, and four Council Members are elected every four years, with the four remaining council seats elected two years in between the general election. The tribal constitution also provides for a separate judicial body. The Jicarilla Apache Reservation ("Reservation") is located in northwest New Mexico, along U.S. Highway 64, approximately 5 miles south of the Colorado-New Mexico state line, and consists of approximately 1 million acres, virtually all held in Federal trust status. The town of Dulce serves as the center of the community and the headquarters for the tribal government. The current population in Dulce is about 3,100 people and the current tribal membership is about 3,400 people. The tribal government is the largest employer in the region employing about 750 people in the areas of government administration, education, health, fire and police protection, tribal courts, and natural resources management such as oil and gas development, hunting and fishing and timber resources development and protection. The Nation exercises sovereign governance over our territory and members, in conjunction with the U.S. Government.

MUNICIPAL WATER DELIVERY AND WASTEWATER SYSTEM IN DULCE, NEW MEXICO

The water delivery and wastewater systems that serve the Reservation are currently owned and operated by the Bureau of Indian Affairs, and are outdated, inadequate and not in compliance with federal safe drinking water and water disposal standards. The wastewater disposal lagoons are 100 percent over capacity at peak flows and discharges untreated wastewater directly into a nearby stream. The BIA has been operating the lagoons under an expired National Pollutant Discharge Elimination System permit since 1995 in violation of federal standards, which subjects the BIA to fines of up to $25,000 a day. There is standing sewage in the certain yards of housing areas where children have come into contact. Health problems associated with the water supply have been documented and homes have been lost to fire as a result of failures of the water supply system. These systems pose a significant health and safety risk to the residents of Dulce and the surrounding area, and have caused economic development barriers on the Reservation.

There has been no meaningful funding in BIA's budget to address this urgent health problem. Evidently, the Dulce water system is one of two systems that is comprehensively owned and operated by the BIA. The Jicarilla Apache Agency Superintendent has been carving out portions of her budget for basic operational needs. There have been no capital improvements for decades and thus, the system has fallen into total disrepair. In 1998, the system completely failed leaving the community of Dulce with no water for six days. To date, the Nation has expended and dedicated over $8 million to rehabilitate this system. On July 10, 2000, Public Law 106–243 was enacted into law directing the Bureau of Reclamation to work with the Nation in completing a feasibility study to determine the best method to repair and rehabilitate the municipal water system. The study will be completed this summer and is expected to report a project amount of $25 million over a three year period. In fiscal year 2002, the Nation is seeking first phase funding in fiscal year 2002.

DULCE HEALTH CARE CLINIC

The current IHS Health Care Clinic in Dulce is not only inadequate to serve the existing needs of the community, but is also located in a condemned building! There has been an alarmingly high rate of cancer and internal diseases on the Reservation, leading to a number of deaths, including many among our youth. In March of 2001, the IHS informed the Nation that the Dulce Clinic was selected for replacement under the Joint Venture provisions of the Indian Health Care Improvement Act, which provide authorization for the IHS to staff and equip a health care facility for the benefit of a tribe, if the tribe finances the construction of the facility and demonstrates administrative capability to operate the facility. The Nation and the IHS are in the process of negotiating the planning, design, and construction approval documents. We anticipate the cost of the facility to cost approximately $10 million. To complete the project, it will be imperative for the Committee and Congress to appropriate funding for the Joint Venture provisions in the IHS budget.

TRIBAL PRIORITY ALLOCATIONS (TPA)

The TPA is the principal means for tribal governments to fund essential governmental services to our people, including law enforcement, justice, fire protection, education, social services, and resource management. We have struggled hard to maintain these services, especially since the crippling, nearly $100 million cut in the TPA in fiscal year 1996. The undeniable fact is the funding for TPA has not kept pace with inflation, and today is less than it was 10 years ago.

The President's fiscal year 2002 request for the TPA is $750.5 million, an increase of $17.5 million (2.38 percent) over fiscal year 2001. The net increase for tribes after removing Indian Self-Determination funds for new contracts, uncontrollable costs, and internal transfers is only a targeted $7 million—less than 1 percent. This is unacceptable. The TPA is the most important component of the BIA's budget, both in terms of size (42 percent) and what it does. The President has stated that a 4 percent budget increase is "compassionate." This makes his request for the most important BIA program "heartless." At the very least, we recommend a flat increase of the 10 percent to address unmet needs and inflation. We also urge you to increase the President's request for contract support to 100 percent of total need as authorized under the Indian Self-Determination and Education Assistance Act, rather than the 88 percent requested.

HEALTH SERVICES

The President's fiscal year 2002 IHS request of $3.3 billion is an increase of $107 million over fiscal year 2001. Of this amount, $50 million is for the Navajo Health Services transition to tribal operation and control. The net increase for all other tribes is an unacceptable 1 percent. As you know, there is a crisis in Indian health care, resulting in part from a lack of funding for mandatory increases like inflation, pay costs, staff for new facilities, and population growth. IHS funded programs must absorb these costs, resulting in a net decrease in health care to Indian people of $2 billion in the last 8 years. Health care expenditures for Indian people are well below 50 percent of the per capita health care expenditure for mainstream America, and, as you know, our gloomy health statistics reflect this.

The problem with the President's budget is that it includes an estimated $499 million in health insurance reimbursements, and with the Navajo transition of $50 million, results in an adjusted request of only $2.75 billion. In fact, the National Indian Health Board, the Tribal Self-Governance Advisory Committee, and the National Council on Urban Indian Health concluded that the fiscal year 2002 IHS budget should be $18 billion, but no less than $3.2 billion in appropriations to begin to address the health care needs of Indian people on a basis comparable to the rest of America. The President's fiscal year 2002 budget also includes a $40 million increase in contract support, all for the Navajo transition. This leaves an estimated need of $175 million, which tribes must absorb, further reducing health care services. We ask the Committee to fully fund contract support costs in fiscal year 2002. Because Indian health care funding is a life or death issue for our people, the Jicarilla Apache Nation supports the "Daschle Amendment" accepted by the Budget Committee to increase funding for Indian Health Care to $4.2 billion in fiscal year 2002.

Finally, the President's fiscal year 2002 budget provides $100 million for diabetes funding, the same as level of funding as last year. These funds are a good investment in the welfare of our people, and will result in future program savings by improving the health and livelihood of our people. We request that Congress extend diabetes funding for the full 10 year authority allowed by the Balanced Budget Act of 1997.

OTHER ISSUES

We are pleased to see that the President included in his fiscal year 2002 budget a new $10 million initiative for tribes in his Flexible Land and Water Conservation Fund Program. The Jicarilla Apache Nation and other Indian Nations across the country support equitable access to the Conservation and Reinvestment Act (CARA). As you know, CARA was not enacted last year, but was diluted into a "CARA-Lite" that funded fewer activities with fewer dollars over less time. No stakeholder was more adversely affected by this dilution than Indian Nations, who lost every single provision that had benefited them in the original legislation. Therefore, it is critical that the $10 million tribal portion be retained, along with the flexibility specified by the President for this program. We support the inclusion of language directing that a federal/tribal team be composed to develop the tribal competitive grant pro-

gram to distribute these funds, which should include tribes, the BIA, and the National Park Service.

In closing, I want to thank you for allowing the Jicarilla Apache Nation to present, for the record, our views and priorities on the Interior fiscal year 2002 budget. If you need any additional information, please contact me in Dulce at (505) 759–3242.

PREPARED STATEMENT OF THE SAVE SAN FRANCISCO BAY ASSOCIATION

On behalf of the thousands of members of Save The Bay, I urge you to include significant funding for acquisition of salt ponds owned by Cargill, Inc. in the fiscal year 2002 appropriations bill. The willing seller has entered into negotiations with the U.S. Fish and Wildlife Service, which has been pursuing restoration of natural tidal wetlands and related habitats to improve the health of San Francisco Bay and the wildlife that depend upon it.

Our staff and scientists have compiled an extensive picture of the opportunities and challenges to restoration of the South Bay salt ponds currently operated by Cargill. All 26,000 acres of the South Bay salt pond complex is potentially restorable to a mix of tidal marsh and open water habitats that would provide tremendous ecological benefits to Bay fish, wildlife and water quality, including for endangered and threatened species.

This acquisition and restoration is of the highest priority for the Bay, as validated by a wide-ranging study of scientists in 1999 in the Baylands Ecosystem Habitat Goals Report. The project has received strong backing from a wide range of community organizations, public agencies, business groups and agricultural interests.

Because the State of California would provide half of the funding for this acquisition, it provides a unique attempt to leverage federal funds for estuary protection. Last year the U.S. Congress committed $8 million and the California State Legislature committed $25 million toward the expected final purchase price of approximately $300 million.

Please include the additional funds necessary to provide the federal share for this acquisition, and seize this special opportunity to restore the San Francisco Bay's health.

Thank you very much for your consideration.

PREPARED STATEMENT OF THE SAN FRANCISCO BAY JOINT VENTURE

REQUESTED ACTION

The San Francisco Bay Joint Venture strongly urges you to support Senator Feinstein's request of $75 million in appropriations fiscal year 2002 for the public acquisition of at least 18,900 acres of Cargill's Bay Area salt ponds, including 4,451 acres of operating rights and the remainder in fee title. This project represents a unique public-private partnership and one between the federal and state government; it must be consummated this year if we do not wish to lose this historic opportunity.

The San Francisco Bay Joint Venture (SFBJV) is a part of the North American (NA) Waterfowl Management Plan and NA Bird Conservation Initiative. We are an active partnership of twenty-seven public agencies, environmental organizations, business groups and agricultural interests that are working cooperatively to protect, restore, increase and enhance wetlands, riparian habitat, and associated uplands throughout the San Francisco Bay region. This urgent request is made by unanimous consent of the Non-Governmental Organizations (NGOs) on the SFBJV Management Board, with the exception of those public agency members that are unable to take positions on legislative issues. The 14 NGOs of the SFBJV's Board are shown on the left hand side of the table below.

SAN FRANCISCO BAY JOINT VENTURE MANAGEMENT BOARD

Non profit and private organizations	Public agencies
Adopt a Watershed	Bay Conservation and Development Commission
Bay Area Audubon Council	California Coastal Conservancy
Bay Area Open Space Council	California Department of Fish and Game
Bay Planning Coalition	Coastal Region, Mosquito and Vector Control Districts
Citizens Committee to Complete the Refuge	National Fish and Wildlife Foundation
Ducks Unlimited	National Marine Fisheries Service
National Audubon Society	Natural Resources Conservation Service
PG&E Corporation	SF Bay Regional Water Quality Control Board
Point Reyes Bird Observatory	San Francisco Estuary Project
Save San Francisco Bay Association	U.S. Army Corps of Engineers
Sierra Club	U.S. Environmental Protection Agency
The Bay Institute	U.S. Fish and Wildlife Service
The Conservation Fund	Wildlife Conservation Board
Urban Creeks Council	

The San Francisco Estuary is the nation's second largest estuary on the Pacific Coast. It is a globally unique, yet threatened resource. The wetlands and streams that rim the Bay Estuary are essential to the health of the region's resident fish, wildlife, and human populations. A century ago, the Bay Area contained almost 200,000 acres of tidal marshes and close to 100,000 acres of seasonal wetlands, vernal pools, and creeks and streams. Today, over 80 percent of the Bay's original wetlands have been either degraded or lost due to diking and filling for farming, grazing, salt extracting, building and other development.

The salt pond acquisition project represents a unique opportunity to fulfill a key portion of the SFBJV's habitat goals to preserve, enhance and restore the San Francisco Bay Estuary, as set forth in the Joint Venture's recently-approved Board-approved Implementation Strategy. That Implementation Strategy calls for the acquisition and restoration of Cargill's salt ponds.

Member organizations of the SFBJV have been working in partnership to literally turn the tide to restore saltwater wetlands for the past decade. Since 1993, our partner organizations and agencies have acquired and enhanced or restored over 27,000 acres of wetlands throughout the SF Bay Area. This set of accomplishments is indicative of the commitment that our region has made to the renewal of the Bay's wetlands and streams from many levels: business, government, and grass-roots. The SFBJV affirms the great importance of investing in our region's wetland resources, as they help to ensure the long-term sustainability of the SF Bay Estuary's ecosystem and its many dependent species. Because of its scale and the rationale for it presented below, this project is of statewide and national importance. In addition, among the 166 partnership-based wetlands and creeks habitat projects around the San Francisco Bay Estuary, this is the SFBJV's current priority.

The fact that Cargill is a willing and cooperative seller is one of the hallmarks of this project; several non-profit, as well as the U.S. Fish and Wildlife have been working with Cargill to identify the elements of an interim restoration strategy, consistent with current science and the "San Francisco Baylands Ecosystem Goals Report (1999)." We believe that implementation will occur in a timely manner following acquisition.

We urge you to exert your leadership to realize this once-in-a-lifetime opportunity to protect and restore our wetland ecosystem through a public-private partnership. Federal and state agencies and legislators have demonstrated extraordinary collaboration in completing the appraisal process and foresight in identifying early funding. We ask that you give favorable consideration to Senator Feinstein's requested $75 million appropriation, as a priority in this year's Interior Department budget. We regard this project as a national model for the kind of public-private partnerships in conservation that makes the best use of available resources for the greatest benefit of all interests involved.

RATIONAL FOR SUPPORT

Presence of a willing and cooperative seller, Cargill Inc.

Unanimous support of the environmental community and business community (Bay Planning Coalition) around San Francisco Bay for this acquisition.

Acquisition of the salt ponds is critical to restoration of wetlands in South San Francisco Bay, as determined in the "Baylands s Ecosystem Habitat Goals," a regional blueprint for restoration of the San Francisco Bay prepared by over 100 scientists.

The South Bay is the key wintering habitat for Shorebirds along the Pacific Flyway.

Federal and state resources agencies are working cooperatively with the owner and one another in pursuing a joint purchase of the property.

Cargill Salt will continue to produce salt on about 12,000 acres centered around its plant site in Newark on the East Bay, and no existing jobs will be lost as a result of this acquisition.

Large portions of the property could be restored to tidal action almost immediately. The U.S. Fish and Wildlife Service, Cargill, and Save The Bay have been cooperatively examining restoration strategies.

Restoration of this property would increase the Bay's tidal marsh habitat by nearly 50 percent. Re-creating thousands of acres of native marsh could help restore populations of birds and other species that currently are considered threatened or endangered and provide additional sheltered nurseries for a vast array of marine life.

Increasing bayside wetlands could help improve the water quality of the bay by trapping pollutants and sediments from urban runoff. It also promises to reduce the impact of freshwater discharges into the Bay from adjacent cities and provide additional flexibility for flood control.

This acquisition would nearly complete the Don Edwards San Francisco Bay National Wildlife Refuge, the largest urban refuge in the country, and create additional opportunities for public access and environmental research and education.

PREPARED STATEMENT OF THE LUKACHUKAI COMMUNITY SCHOOL, INC.

Mr. Chairman and Members of the Subcommittee: The Lukachukai Community School Board of Education, Inc. (LCBE, Inc.) oversees a BIA-funded school serving 400 students from grades K through 8 in a remote area of the Navajo Reservation. On behalf of the Lukachukai Community Board of Education, I thank you for this opportunity to offer comments regarding the fiscal year 2002 budget. We wish to highlight several aspects of the budget which we hope will see funding increases in fiscal year 2002: Administrative Cost Grants ($55 million), Student Transportation ($44 million), ISEP Formula Funds ($362 million), and Replacement School Construction (funding to construct the 13 schools on the current priority list).

FACILITIES CONSTRUCTION NEEDS AT LUKACHUKAI

We commend Congress for funding construction of the first six schools included on the BIA's new school construction priority list in the fiscal year 2001 budget. In fiscal year 2002, we hope that Congress and the Administration will work together to fund the remainder of the top priority list for this year, an additional 13 schools. Such aggressive action is crucial at this time, as beyond this top tier list wait dozens of additional schools in desperate need of construction-our school, for example, is currently ranked 59th in line among the schools yet to be funded.

If our facility constitutes the 59th-greatest need for replacement school construction in the BIA system, Congress has a severe crisis on its hands. The structures and utility systems of the existing school facilities are failing. While most educational facilities are built to last for only thirty years, the newest of our facilities are nearly forty years old, and are not in compliance with accessibility codes. Additionally, the electrical systems need to be upgraded to accommodate technology and automation, a 21st century educational requirement. We also face severe overcrowding in our classrooms. Recently, we had to move sixteen students from overcrowded kindergarten classrooms into a dormitory, and the gifted education class was moved into a three-bedroom staff housing structure.

Our 86 employees must compete for the 18-space parking lot that also lacks lighting of any kind, as well as limited housing units (47). The housing units all contain asbestos in the floor tile and mastic and are in dire need of renovation in order to meet the minimum safety requirements. Our limited space forces us to load and unload students into school buses on the main road. The school's fire alarm system is outdated and rings in only one section of the building. The existing waterlines have never been changed and are about to rust out. At times when the water becomes red and murky, the safety of the water for consumption becomes an issue. Two years ago severe winds blew off the kitchen, residential hall, and gymnasium roofs, resulting in two weeks of school closure. High-density archaeological and bur-

ial sites on the existing school grounds make construction to update or expand existing facilities extremely difficult and unwise to undertake.

Research has demonstrated that poor facilities such as ours distract significantly from the educational program of a school, and we believe that our students deserve better in their formative years. To address the health, safety, and educational risks posed by these deteriorating facilities as well as the school's projected expansion needs, we have proposed and obtained land for a new school facility to serve 450 youths from kindergarten through eighth grade from the Lukachukai, Round Rock and Tsaile/Wheatfields communities. The proposed new grant school at Lukachukai is project ready. But given our current ranking and the rate at which new schools are being funded, it could easily be decades before our desperate construction needs are addressed.

We cannot wait until the current generation of students are parents themselves before addressing the terrible condition of Indian Country's schools. We believe there is no room for years of delay when the health and safety of young people is at stake. Please fund the full current priority list of 13 schools in fiscal year 2002.

ADMINISTRATIVE COST GRANTS

Tribally-operated BIA schools are facing a crisis in their administrative budgets, operating at less than 80 percent of the funding necessary for prudent management of a school. These schools receive their administrative funding through Administrative Cost Grants, a formula-based method created by Congress to calculate the amount of funds that should be provided for the administrative and indirect cost expenses incurred in the operation of BIA school programs-similar to "contract support" costs provided to non-school contractors. The Administrative Cost Grant formula was designed as a compromise, a minimum calculation of the administrative costs necessary for prudent management of tribally operated schools. When 100 percent of these costs are not funded, our schools are set up for failure.

We were pleased that Congress increased Administrative Cost Grant funding by $1 million in fiscal year 2001 after funding had been frozen at the same level ($42.1 million) for three consecutive years. Yet after so many years of underfunding, the shortfall has become quite significant, and additional schools have converted to tribal operation, causing the available appropriation to be divided between a larger number of schools. The percentage of the formula met declined from 89.5 percent (SY 1998–99) to 79.68 percent (SY 2000–01) in the three budget years where funding remained level.[1]

The impacts of these shortfalls are far from abstract. Tribally-operated schools have been forced to make reductions-in-force that cost them vital, well-trained administrative staff. Remaining staff struggle under the stress of being overloaded with the work of multiple people. Some schools have had to convert their administrative staff to a 10-month employment year, leaving them ill-prepared to close out the administrative work of the previous school year and to prepare for the coming school year and annual audit. Reduced funding jeopardizes our ability to comply with the internal controls needed for prudent fiscal management. Due to the shortage of funding we did not hire an Administrative Service Director or Procurement Officer. Although we had saved funds by not hiring the direly needed administrative positions, we on the other hand overburdened our technicians to carry out the workload, which at times they did not have the expertise to carry out. In the end, we had to bring in consultants to monitor and reconcile our books to ensure that compliance and internal controls were not compromised.

The National Congress of American Indians and the National Indian Education Association both passed resolutions this year calling for full funding of Administrative Cost Grants. We implore Congress to join these bodies in recognizing that tribal schools' needs for administrative costs are just as great as those of other tribally-operated BIA and IHS programs. Please provide funding for the full need generated by the Administrative Cost Grant formula, which we estimate will require approximately $55 million in fiscal year 2002.

We also ask that the rider included in recent Interior Appropriations measures capping Administrative Cost Grant funding be excluded from future Interior Appropriations measures. This language is intended to overturn a 1997 decision by the Interior Board of Contract Appeals that said that the BIA violated the law by failing to pay the Alamo Navajo School Board and the Miccosukee Tribal School the full amount of AC grant that was required by federal law. We ask that you delete any

[1] BIA education program funding is "forward funded", as are most federal aid to education programs. Thus, for example, the fiscal year 2000 budget funded the current school year, SY 2000–2001.

proposal to extend the current cap for another year and fully fund AC grants at 100 percent of need, as required under the authorizing statute.

STUDENT TRANSPORTATION

Lukachukai is located in the foothills of the Chuska Mountains, at an elevation of 7,000 ft, with students spread among three Navajo chapters over a radius of 20 miles. Access to our community is primarily via dirt roads. During the winter months, these roads become extremely muddy and icy, forming deep ruts that stay frozen for months. These treacherous conditions place a great deal of wear and tear on our school buses and other school vehicles, most of which are old and in poor condition. The closest bus maintenance and service location is a 250-mile round trip.

In the current school year, the Bureau-funded transportation rate is $2.30 per mile, far short of the nationwide average of $2.92 that was reported for public schools over six years ago. Yet the fiscal year 2001 budget included less than a $200,000 increase in funding for Student Transportation. Sharp increases in fuel costs over the past year have made increased funding for Student Transportation absolutely necessary. With wear and tear and repair costs well above average due to our location and GSA rental and mileage rates escalating at a rapid rate, our student transportation costs have gone 33 percent beyond what our Student Transportation Program generates. Our Student Transportation Program generated $154,000 this current school year but our actual expenditure for the program was $221,000. If BIA transportation reimbursement rates continue to lag behind actual costs for student transportation in fiscal year 2002, we will be forced to continue to use a distressing percentage of our academic funds to supplement our inflexible transportation costs. This shortchanges our students and forces us to stretch our extremely limited education dollars even further. We ask that you increase the BIA budget for student transportation to a level that can at least support a reimbursement rate of $3 per mile, which we estimate would require at least $44 million.

INDIAN SCHOOL EQUALIZATION PROGRAM (ISEP)

The ISEP program, which provides basic instructional funding for students in BIA-funded schools, has been consistently underfunded. In fiscal year 2001, Congress took a step in the right direction, agreeing to a desperately needed $14 million increase in funding for ISEP formula funds that resulted in a final funding level of $330.8 million. But even with this increase, we estimate based on BIA projections, that the resulting Weighted Student Unit (WSU) will be approximately $3,650 for School Year 2001–02. This level of basic educational funding is still woefully inadequate when compared with similar expenditures for students in any other school system in the U.S. Unless additional ISEP funding is provided, we will continue to face a large turnover of qualified and experienced teachers, decreased instruction hours, teacher layoffs, and teacher salary freezes.

This sadly has been the real story, a "Catch 22" situation that impacts our Native American children everyday of their lives. They continue to get the least attention from their government. They continue to receive education in school buildings that the majority of states would not even allow their prisoners to live in! And yes, they seldom get good teachers because good salaries in other counties and states attract good teachers and we cannot compete with them. Limited resources and unsafe facilities that are not conducive to a good learning environment are the two main reasons as to why Native American children continue to score well below the national norm on standardized achievement tests across this nation. We recommend that Congress appropriate at least $362 million for the ISEP Formula program in fiscal year 2002, which we estimate would yield a WSU of approximately $4,000 per weighted student unit. By funding ISEP at this level, Congress could come closer to offering educational opportunities to Indian students that are more comparable to those enjoyed by other children in this country.

CONCLUSION

We thank you for your support for Indian Education programs and the Lukachukai Community Board of Education. We hope that this testimony will prove useful to your efforts to craft a fair and reasonable budget for BIA education programs. We would be pleased to provide you with any additional information about our school, our priorities and concerns, and we look forward to working with you over the coming years to assure that every Indian child gets the education they need and deserve. Thank you.

PREPARED STATEMENT OF THE BLACK MESA COMMUNITY SCHOOL

Mr. Chairman and Members of the Committee: Thank you for this opportunity to submit testimony regarding the fiscal year 2002 budget for Bureau of Indian Affairs (BIA) programs relating to school operations. Black Mesa Community School is a remotely located grant school, serving students from kindergarten through eighth grade in Kitsillie, a mountainous area of the Navajo Nation in Northern Arizona. We are pleased with the focus on education in general and Indian education in particular which Congress and the new Administration have demonstrated in recent months. We hope that you will consider taking advantage of this unique opportunity to address several areas of longstanding need within the BIA education budget:

—$55 million for Administrative Cost Grants,
—$44 million for student transportation, and
—$802 million to support the Administration's promise to eliminate the backlog of Facilities Improvement and Repair needs in BIA-funded schools, including needed funding to construct a maintenance facility at Black Mesa.

ADMINISTRATIVE COST GRANTS

Tribally-operated BIA schools are facing a crisis in their administrative budgets, operating at less than 80 percent of the funding necessary for prudent management of a school. These schools receive their administrative funding through Administrative Cost Grants, a formula-based method created by Congress to calculate the amount of funds that should be provided for the administrative and indirect cost expenses incurred in the operation of BIA school programs—similar to "contract support" costs provided to non-school contractors. The Administrative Cost Grant formula was designed as a compromise, a minimum calculation of the administrative costs necessary for prudent management of tribally operated schools. When 100 percent of these costs are not funded, our schools are set up for failure.

We were pleased that Congress increased Administrative Cost Grant funding by $1 million in fiscal year 2001 after funding had been frozen at the same level ($42.1 million) for three consecutive years. Yet after so many years of underfunding, the shortfall has become quite significant, and additional schools have converted to tribal operation, causing the available appropriation to be divided between a larger number of schools. The percentage of the formula met declined from 89.5 percent (SY 1998–99) to 79.68 percent (SY 2000–01) in the three budget years where funding remained level.[1]

The impacts of these shortfalls are devastating to tribes' ability to successfully operate BIA-funded schools. Tribally-operated schools have been forced to make reductions-in-force that cost them vital, well-trained administrative staff. Remaining staff struggle under the stress of being overloaded with the work of multiple people. Some schools have had to convert their administrative staff to a 10-month employment year, leaving them ill-prepared to close out the administrative work of the previous school year and to prepare for the coming school year and annual audit. Reduced funding jeopardizes our ability to comply with the internal controls needed for prudent fiscal management.

The National Congress of American Indians and the National Indian Education Association both passed resolutions this year calling for full funding of Administrative Cost Grants. We implore Congress to join these bodies in recognizing that tribal schools' needs for administrative costs are just as great as those of other tribally-operated BIA and IHS programs.

Please provide funding for the full need generated by the Administrative Cost Grant formula, which we estimate will require approximately $55 million in fiscal year 2002.

We also ask that the rider included in recent Interior Appropriations measures capping Administrative Cost Grant funding be excluded from future Interior Appropriations measures. This language is intended to overturn a 1997 decision by the Interior Board of Contract Appeals that said that the BIA violated the law by failing to pay the Alamo Navajo School Board and the Miccosukee Tribal School the full amount of AC grant that was required by federal law. We ask that you delete any proposal to extend the current cap for another year and fully fund AC grants at 100 percent of need, as required under the authorizing statute.

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[1] BIA education program funding is "forward funded", as are most federal aid to education programs. Thus, for example, the fiscal year 2000 budget funded the current school year, SY 2000–2001.

STUDENT TRANSPORTATION

The daily bus service we provide for our students comes at an increasingly high premium. Fuel costs have increased at an alarming rate. GSA continues to raise their annual rates for leased buses and mileage. Many of the roads traveled by our buses are dirt roads, resulting in a much higher than average rate of wear and tear on our buses. But regardless of the costs we incur in transporting students, we have to get them to class—so when transportation costs are underfunded, we have no choice but to dip into funds that should be used—and are desperately needed for—classroom instruction. This is not a viable choice.

Despite this crisis, in the current school year the Bureau-funded transportation rate is $2.31 per mile, far short of the nationwide average of $2.92 that was reported for public schools over six years ago. The fiscal year 2001 budget included less than a $200,000 increase in funding for Student Transportation. Sharp increases in fuel costs over the past year have compounded the already significant gap that existed between the funding we receive and the actual costs of providing student transportation.

Please provide at least $44 million for Student Transportation in order to support a per-mile rate of $3.00, at a minimum.

FACILITIES IMPROVEMENT AND REPAIR NEEDS AT BLACK MESA SCHOOL

Black Mesa is in immediate need of a small, safe facility for schoolbus and building maintenance. In 1984, the Bureau of Indian Affairs constructed a school building to replace the used trailers that had served as our sole facilities for nearly ten years. The original building plans for the 1984 construction also included planning for housing facilities, a transportation building, athletic fields, and site improvements. We were deeply appreciative of your committee's 1999 approval of our request to utilize surplus savings to construct employee housing. In 1999 we were also granted three 2-room modular buildings from the BIA to address our need for additional classroom space. But our dire need for transportation and maintenance facilities remains.

Due to our remote location, we must conduct a wide range of plant management and school bus maintenance onsite. At present, we conduct all plant management activities out of a small, locally constructed shed. This facility contains asbestos, has no plumbing or heat, is electricity deficient, and is generally ill-equipped and unsafe. In the winter, harsh weather forces the maintenance personnel to conduct their work in a small janitor's closet inside the school. We have no protected facilities for bus maintenance.

We ask the committee to follow through on the 1984 building plan by securing the needed funds through FI& R or direct appropriations to construct a small multipurpose facility to serve as an operations and maintenance shop, emergency generator room, transportation maintenance area, fire bay station, and storage area. The BIA's 1984 estimate for this facility was $219,200, and we estimate that such a facility would cost approximately $250,000 to construct today.

Please work with the Administration to ensure that they fulfill their campaign promise of providing full funding of at least $802 million for the maintenance backlog in BIA-funded schools, including our pressing needs at Black Mesa.

FACILITIES OPERATIONS AND MAINTENANCE

We hope to get many years of use from our school facilities, which will require consistent maintenance over the life of the buildings. As such we are concerned with shortfalls in funding for facilities maintenance, which, while significantly improved this year, remain more than 20 percent short of the calculated need under the Congressionally mandated "FACCOM" formula used to distribute facilities O&M funds to the 185 schools in the system.

The 185 BIA-funded schools rely on Facilities Operations and Maintenance funding to support their routine operational needs (such as the cost of utilities and janitors) and on-going maintenance needs (for boilers and building systems, water and sewer systems, etc.) for an enormous inventory of federally-owned buildings.

We ask that the fiscal year 2002 BIA budget provide sufficient funding to eliminate the current 21 percent shortfall so that BIA-funded schools can properly maintain the federal facilities we operate.

CONCLUSION

All of us at Black Mesa thank you for your attention to these basic requests. While they represent a drop in the federal budget bucket, these dollars will have a dramatic effect on the day-to-day function of our school and the education of fu-

ture generations in our community. We thank you for your ongoing work in support of Indian education, and look forward to working with you in the years to come to assure that our students have a learning environment that will empower them in achieving their highest aspirations.

Thank you very much for your support.

PREPARED STATEMENT OF THE ROCK POINT SCHOOL BOARD

Mr. Chairman and Members of the Committee: On behalf of the Rock Point Community School Board, we wish to express our appreciation for the work of this committee and for this opportunity to share our concerns regarding the education of Native American children. Our testimony highlights several areas in which the federal government has asked us to provide 100 percent of services on its behalf, while consistently providing far less than the funding that all agree is necessary to implement these services. In order to begin to reverse this catch-22, we request the following funding in the fiscal year 2002 BIA budget: (1) ISEP Formula Funds—$362 million; (2) Administrative Cost Grants—$55 million; (3) Student Transportation—$44 million; and (4) Facilities Operations/Maintenance—funding to end the current 21 percent shortfall as well as the backlog of over $800 million in Facilities Improvement and Repair.

Congress and the new Administration have committed to working together to improve the federal aspects of education programs and funding nationwide. We hope that this commitment will start with the school systems that are entirely federally funded, of which the BIA-funded school system is one of two. We at Rock Point know first hand that there is a great deal to be done to turn around this long-neglected school system. We lack adequate funds to train and retain qualified teachers and staff. Our administrative budgets have shrunk to the point where it is nearly impossible to maintain prudent fiscal controls and oversight. Our elementary facilities suffer from neglect as routine major maintenance cannot be performed due to funding shortage. Student transportation costs have ballooned to a point where we have no choice but to dip into our scant educational dollars just to get our students to school. This is no way to run a school, and no way to demonstrate to Native American children that they matter to this nation.

INDIAN SCHOOL EQUALIZATION PROGRAM (ISEP)

Recently, representatives from the Office of Indian Education Programs (OIEP), Bureau of Indian Affairs, in discussion with school representatives and others, forged the following goals for all BIA-funded schools:

—All children read independently by the third grade
—70 percent of students are proficient/advanced in reading, language arts and math
—Reduce student drop-out rate
—Students demonstrate knowledge of their language and culture
—Increased enrollment, retention, placement and graduation rates for post-secondary students.

These are reasonable, important goals—but given the severe underfunding we face under the current budget, we have no means by which to get there from here.

Rock Point Community School is far removed from the nearest major town-we must travel 2 hours to procure basic supplies. Quality teachers willing to work in our remote location can be hard to come by—especially when we cannot afford to match salaries for less remote areas and are unable to provide adequate annual salary increases. We are hard-pressed to provide even the most basic classroom instructional materials, let alone the updated classroom supplies, textbooks, library books, computers, and relevant educational software that our students deserve.

President Bush has assigned education as his top priority. His theme for education is "No Child will be left behind". We ask that our Indian children not be left behind by appropriating enough funding to meet their academic needs.

RECOMMENDATION

In order to address these shortfalls so that BIA-funded schools can move forward toward the goals of student achievement laid out by the OIEP, we ask that the fiscal year 2002 BIA budget include $362 million for ISEP Formula funding in order to raise the Weighted Student Unit to $4,000.

ADMINISTRATIVE COST GRANTS

Like many other tribally-operated schools, we have begun to suffer the impacts of years of shortfalls in the funding provided for Administrative Cost Grants. These funds, which are based on a formula created by Congress to determine the minimum funding necessary for prudent management to operate our school, are critical to smooth operation of our school programs. Yet this year, tribally-operated schools are receiving less than 80 percent of the funding that Congress determined to be necessary to cover basic administrative costs and ensure prudent management.

As a result, we have had no choice but to curtail important services, let go of administrative staff that oversee fiscal, and policy-making management at the school, and cut back on other aspects of our administration that are critical to sound management. We are not alone in these struggles—we understand that many other schools have been forced to make staff cut-backs and cut corners in administration, and have been hard-pressed to meet the oversight standards required by law. At this rate, the impacts of Administrative Cost Grant shortfalls stand to completely undermine tribal operation of BIA schools if they continue uncorrected.

RECOMMENDATION

We ask that Congress meet its commitment to fund the full need generated by the Administrative Cost Grant formula, which we estimate at approximately $55 million for fiscal year 2002. In addition, we request elimination of the language included in recent Interior Appropriations measures that caps Administrative Cost Grants.

SCHOOL TRANSPORTATION

The daily bus service we provide for our students comes at an increasingly high premium. Fuel costs have increased to an average of $1.65 a gallon locally. GSA continues to raise their annual rates for leased buses and mileage. Many of the roads traveled by our buses are dirt roads, resulting in a much higher than average rate of wear and tear on our buses. The nearest maintenance facility is two hours from our school, adding a considerable expense every time repairs must be done—which is quite often. While buses are generally supposed to be replaced after 80,000 miles, many of our buses have logged over 100,000 miles, and we have more than half elderly buses in desperate need of replacement. Nonetheless, we join many, many schools who wait in line for GSA buses.

But regardless of the costs we incur in transporting students, we have to get them to class—so when transportation costs are underfunded, we have no choice but to dip into funds that should be used—and are desperately needed for—classroom instruction. This is a terrible situation that cannot continue.

RECOMMENDATION

Please provide at least $44 million for Student Transportation in order to support a per-mile rate of $3.00, at a minimum.

FACILITIES OPERATIONS AND MAINTENANCE AND FACILITIES IMPROVEMENT AND REPAIR

As the majority of the school facilities at Rock Point have aged well past the 30-year life expectancy of most school buildings, we require constant maintenance to assure the health, safety, and comfort of our students. But given the significant budget constraints we face year after year in our Facilities Operations and Maintenance funding, we cannot afford to undertake all of the needed maintenance in any given year. At times we struggle with leaking roofs, settlement problems, and an array of other recurring concerns that become larger year after year when we are unable to afford preventive maintenance. Often such problems become larger scale Facilities Improvement and Repair problems when left unaddressed.

Facilities Operations and Maintenance funds were recently divided into two accounts, and Facilities Maintenance funding has been blended into the overall line item for Facilities Improvement and Repair under the Education Construction budget. As a result, it has become difficult to discern what funding will be available for Facilities Operations and Maintenance under the FACCOM formula until we receive distributions from the BIA. In the current school year, we face a constraint or shortfall of 25–30 percent. While this is an improvement over the 33 percent constraint we faced in previous years, we still do not get the funds necessary for adequate upkeep of the buildings we maintain on the federal government's behalf.

RECOMMENDATION

We recommend that the combined funding for Facilities Operations and Facilities Maintenance be increased by at least 30 percent to eliminate the current constraint. We also ask that Congress work with the Administration to ensure that President Bush can fulfill his campaign promise to eliminate the repair backlog of over $800 million in Facilities Improvement and Repair projects.

We thank you for your ongoing efforts on behalf of BIA-funded schools.

PREPARED STATEMENT OF THE ALAMO-NAVAJO SCHOOL BOARD, INC.

Mr. Chairman and Members of the Committee: The Alamo-Navajo School Board is a multi-faceted organization which is responsible for operation of nearly all federal programs that serve the 2,000 Navajo people who live on the Alamo Reservation. Our 10-square mile reservation is isolated in south-central New Mexico, 250 miles from the Big Navajo Reservation. Because of our remote location, the Navajo Nation and its political subdivision, the Alamo Chapter, authorize the School Board to administer the education, health care, road maintenance, job training, Head Start and other community programs that serve our residents. On an annual basis, we operate over $9 million of federal and state supported programs.

The President's Commitment.—President Bush has assigned his highest priority to assure that "No Child Is Left Behind". He is committed to working with Congress to make this goal a reality. We heartily concur—and hope that he and this Subcommittee will assure that our children are included in this effort so that No Indian Child is Left Behind either!

The BIA school system is the sole responsibility of the Federal Government; it is not part of any State public school system. Thus, Congress and the President have a special responsibility to assure that sufficient resources are available to provide quality teachers, a challenging educational program and a safe environment conducive to the educational progress of the 50,000 Indian children in this Federal school system.

Requests:

—Full funding for Administrative Cost Grants—$55 million
—Increase Indian School Equalization Formula to provide at least $4,000 per Weighted Student Unit
—Provide at least $3.00 per mile for Student Transportation to combat skyrocketing fuel costs
—Supply at least 20 percent additional funding for education facilities operation and maintenance
—Earmark $150,000 for a replacement fire truck for the Alamo Reservation

BIA SCHOOL OPERATIONS

Administrative Cost Grants

The shortfall in this account is reaching crisis proportions. Tribes and tribal school boards have taken on the responsibility for direct operation of two-thirds of the 185 BIA-funded schools, but we are not supplied with the funding required to run our fiscal and management affairs in a prudent manner. We learned in late February that for this school year (which began in August, 2000), BIA will supply less than 80 percent of the amount needed for our administrative costs. Under the law, we are supposed to receive an Administrative Cost Grant to cover the added expenses incurred in direct tribal operation of schools. Yet only once in the past 12 years has Congress fully funded the formula for AC Grants established by Federal law.

The chronic shortfalls in AC Grants severely compromise our ability to maintain proper internal management controls, to prepare for and pay for annual audits, and to discharge the numerous policy-making, supervision, program planning and management activities for which tribal school boards are responsible. No educational institution can stay afloat—let alone succeed—if it is required to do more with less year after year.

We are grateful that Congress provided an additional $1 million for AC Grants in the fiscal year 2001 budget, but we will not see these additional dollars until next school year. And, frankly, this small increase will not rectify the shortages suffered in eleven of the last twelve years, nor will it bring us even close to 100 percent AC Grant funding in SY 2001–02.

In recent years, this Subcommittee has recognized and taken steps to rectify the troublesome shortfalls in "contract support cost" funding for tribes who operate non-education programs of BIA and IHS. Perhaps because the Administrative Cost

Grant account is a far smaller and less visible part of the BIA budget, schools' needs have not received the same level of attention. We hope you will cure this oversight in the fiscal year 2002 budget.

We implore Congress to keep its promise to support tribal operation of schools for Indian children, and to recognize that tribal schools' needs for administrative cost funding are just as great as those of other tribally-operated BIA and IHS programs. Please provide full funding for AC Grants at the level required by the statutory formula. We conservatively estimate the need to be at least $55 million for fiscal year 2002.

We also ask you to discontinue the appropriations rider that has "capped" the amount of BIA funds that can be used for AC Grants. This rider is intended to overturn a 1997 decision by the Interior Board of Contract Appeals that said the BIA violated the law by failing to pay 100 percent of the Administrative Costs of the Alamo Navajo School Board and the Miccosukee Tribal School. We initiated this suit because the BIA underpaid our AC grant by more than $386,000 over a four-year period.

Congress breaks faith with us when on the one hand it encourages tribes to take over school operations and establishes a formula for calculating the added resources we need to do so, but on the other hand reneges on the commitment to provide us with resources at the level Congress itself enacted into law.

Indian School Equalization Formula

Indian Country has always experienced difficulty in attracting experienced teachers to work in isolated reservation schools, and our problems are multiplied by the nationwide teacher shortage. At Alamo, we expect to lose up to ten of our current teachers, many of whom are leaving for better-paying jobs. This presents us with a daunting challenge. How can we recruit and retain qualified teachers to work at comparatively low wages in a remote Indian community that is 150 miles from the closest city (Albuquerque)?

If we are to have any chance of competing for the teachers we need, we must be able to offer more than the excitement and challenge of working at a small but vibrant school in a traditional Indian community—we must also offer competitive wages. The ISEF is our only source of funding for teacher salaries, but the amount we receive is insufficient to enable us to attract and retain the staff we require. Alamo's situation is repeated at all BIA-funded schools.

We, therefore, ask the Subcommittee to generously increase funding for the ISEF, at least to the level where schools will receive $4,000 per weighted student unit (WSU), to help us combat teacher attrition and fill vacant positions that are vital to the success of our educational mission.

Student Transportation

Fuel costs have skyrocketed in the past year. Please consider the impact this has on our school bus operations that were woefully underfunded to begin with. Last school year, we received $2.26/mile for our student transportation needs. This school year—with fuel costs increasing by leaps and bounds—we are receiving merely 5¢ per mile more. By contrast, the average rate per-mile spent on student transportation by public school systems throughout the country was nearly $3.00/mile—six years ago.

How can Indian schools continue to pay certified bus drivers, maintain safe buses, negotiate poor, unimproved bus routes, and pay top dollar for fuel when our funding is 25 percent less than the 6-year-old public school average?

We ask the Subcommittee to provide emergency funding to help us with shortfalls this school year, and to fund student transportation at least at $3.00 per mile in the fiscal year 2002 budget. Without rational student transportation funding, many Indian children will be left behind—at the bus stop.

Facilities Operations and Maintenance Funding

Facilities maintenance is another area where the Federal Government expects us to do a 100 percent job but provides us with far less than 100 percent of the resources we need to do it. Our school buildings are all owned by the Federal Government, yet last year the owner supplied about 33 percent less than the amount required to maintain its multi-million dollar investments.

The situation has slightly improved for School Year 2000–01, as our facilities operation and maintenance funding is now only about 21 percent below the level of need. But even at this rate, many maintenance activities will be sacrificed and even our newest buildings will deteriorate at an accelerated rate. We find this unacceptable because of the adverse impact this has on our ability to conduct a quality educational program. The Federal Government—the owner of those buildings—should

also find this unacceptable, if only because your investment is not being properly protected.

Please assure that funding for facilities operation and facilities maintenance (which were split into two accounts at the BIA's request) is increased by an aggregate of at least 20 percent so we can undertake delayed maintenance work, pay our utility costs, and provide a decent educational environment for our Indian children.

School Facilities Improvement & Repair

We heartily thank the Congress for the generous increase in education Facilities Improvement & Repair funding supplied in fiscal year 2001. Even with the approximately $30 million transferred to this account from "facilities maintenance", the net increase of some $100 million is indeed laudable. This funding is helping to reduce the backlog that BIA estimated at $802 million in January, 2000.

During the campaign, candidate Bush pledged to "immediately eliminate the entire $802 million backlog of school repairs" for the BIA school system. We are hopeful that President Bush will follow through on this pledge in his fiscal year 2002 budget request, and that you will endorse such a request.

At Alamo alone, our backlog of identified FI&R projects exceeds $1.5 million, and our school is less than 20 years old. Some of the work we need done includes replacement of the school HVAC system, replacement of water heating units and roof repairs. If BIA provides us with the needed funds, we can accomplish these projects more quickly and efficiently with our own staff and through contracts with suppliers than if the BIA undertook the work itself. We urge you to continue generous funding for this account.

FIRE SAFETY

For the past several years, we have asked the Subcommittee to help us cure an alarming fire safety deficiency. We have ONE fire truck to serve the entire Alamo Reservation which geographically is the size of the District of Columbia. This vehicle is nearly 30 years old and carries only 500 gallons of water. It might be laughable were it not the sole means of fire protection for $25 million in federal facilities and 1,000 family homes.

So far, the Subcommittee has not granted our request. Nonetheless, we repeat here our appeal for decent fire safety equipment and hope it will be granted in fiscal year 2002.

In past years, BIA has estimated the cost of new fire trucks at between $160,000–$170,000. If the Subcommittee would provide Alamo with just $150,000, we are confident we could obtain the necessary equipment to fill our critical need for a decent, higher capacity fire truck to protect lives and property on our reservation.

Thank you for your continuing support for Indian self-determination and for Indian education.

PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

Dear Chairman Burns: Support for fiscal year 2002 Federal Funding of $5.2 Million for the Department of the Interior—Bureau of Land Management to assist in the Colorado River Basin Salinity Control Program, with $800,000 to be designated specifically to salinity control efforts.

Your support and leadership are needed in securing adequate fiscal year 2002 funding for the Department of the Interior—Bureau of Land Management with respect to the federal/state Colorado River Basin Salinity Control Program. This program is carried out as a part of ecosystem and watershed management pursuant to the Colorado River Basin Salinity Control Act and the Clean Water Act.

As you are aware, the Bureau of Land Management (BLM) is the largest landowner in the Colorado River Basin. Due to geological conditions, much of the lands that are controlled and managed by the BLM are heavily laden with salt. Past management practices have led to man-induced and accelerated erosional processes from which soil and rocks, heavily laden with salt have been deposited in various stream beds or flood plains. As a result of this disposition, salt is dissolved into the River System causing water quality problems downstream.

Congress has charged federal agencies, including the BLM, to proceed with programs to control the salinity of the Colorado River. BLM's rangeland improvement programs can lead to some of the most cost-effective salinity measures available. In keeping with the Congressional mandate to maximize the cost-effectiveness of the salinity control program, the Colorado River Board is requesting that Congress appropriate and the administration allocate adequate funds to support BLM's portion of the Colorado River Basin Salinity Control Program.

The Colorado River Board of California, the state agency charged with protecting California's interests and rights in the water and power resources of the Colorado River System, requests that Congress appropriate $5,200,000 of these funds in fiscal year 2002, to accomplish activities that BLM either has underway or should initiate in order to further control the concentrations of salinity of the Colorado River. It is particularly important that the BLM's line item for Management of Lands and Renewal Resources be adequately funded. The Colorado River Board urges the Subcommittee to specifically mark, $800,000 from this line-item for the Colorado River Basin Salinity Control Program as has been the direction to BLM from the Subcommittee in past years.

Soon your Subcommittee will receive testimony from the Colorado River Basin Salinity Control Forum (Forum) on behalf of the seven Colorado River Basin states. The Colorado River Board concurs in the fiscal year 2002 funding request and justification statements for BLM as set forth in the Forum's testimony.

California's Colorado River water users are presently suffering economic damages in the hundreds of million of dollars per year due to the river's salinity. In addition, the federal government has made significant commitments to the Republic of Mexico and to the seven Colorado River Basin states with regard to the delivery of quality water to Mexico. In order for those commitments to be honored, it is essential that in fiscal year 2002 and in future fiscal years, that Congress provide funds to the Bureau of Land Management for its activities.

The Colorado River is, and will continue to be, a major and vital water resource to the 17 million residents of southern California. Preservation of its quality through an effective Salinity Control Program will avoid the additional economic damages to river users in California.

The Board greatly appreciates your support of the Colorado River Basin Salinity Control Program and asks for your assistance and leadership in securing adequate funding for this vital program.

PREPARED STATEMENT OF THE CALIFORNIA INDUSTRY AND GOVERNMENT COALITION

Mr. Chairman and Members of the Subcommittee: On behalf of the California Industry and Government Coalition for the Kern County Valley Floor Habitat Conservation Plan (KCVFHCP), we are pleased to submit this statement for the record in support of our funding request for the Interior Appropriations Bill for fiscal year 2002.

First, the Coalition supports the fiscal year 2001 level of funding for the Department of Interior's budget request for the Cooperative Endangered Species Conservation Fund—especially funding for HCP land acquisition.

Second, the Coalition urges the Subcommittee to appropriate additional funding for land acquisition above the funding requested by the President.

Third, the Coalition requests that the Appropriations Subcommittee earmark $1 million to the Kern County program to be used for purposes of acquiring and maintaining habitat preserves.

The Coalition's request is supported by the timely need to implement the KCVFHCP, which is in the final stages of development and expected to be completed by the beginning of calendar year 2002. In 1997 the U.S. Fish and Wildlife Service allocated $500,000 of federal Endangered Species Act Section 6 funds to assist in program implementation. The California State Government has authorized $1 million to augment the federal funds. In order to secure the $3 million total necessary for full implementation of the plan, we will require $1 million for fiscal year 2002 and $500,000 for fiscal year 2003.

The Coalition requests that the Subcommittee appropriate the maximum possible amount for this program, so that the funding pool can accommodate our request and need. We are confident that the plan's merits and urgency support this request.

Kern County's program is unique from other regions in the nation in that it contains some of the highest concentrations of plant and animal species protected by the Endangered Species Act (ESA) within the continental United States. The region is occupied by 13 wildlife species and 14 plant species listed as threatened or endangered under federal law. The potential for conflict with the federal ESA is great in Kern County because of the extensive oil and gas production activities and the urbanization that is occurring. Since Kern County is the top oil producing county in the nation and experiencing rapid urban growth, potential conflicts with the ESA and their resolution through a proactive conservation program has significant national importance.

In recognition of the conflicts posed to economic growth by federal and state endangered species laws, a joint agency Memorandum of Understanding was entered

into by the U.S. Fish and Wildlife Service, Bureau of Land Management, California Energy Commission, California Division of Oil and Gas and Geothermal Resources, California Department of Fish and Game and Kern County. The participating agencies agreed to develop a unified conservation strategy with the goal of providing a streamlined and consistent process of complying with State and federal endangered species laws, yet at the same time allow important industry activities such as oil and gas, water conveyance and other industry activities to continue.

Preparation of the KCVFHCP began in 1989 and involved a number of federal, State and local government agencies, as well as the oil and gas industry, agricultural, utilities and environmental groups.

Kern County's Valley Floor Habitat Conservation Plan is one of the largest and most diverse endangered species conservation programs under development in the nation encompassing over 3,110 square miles. The program represents a departure from traditional endangered species conservation programs which utilize prohibitory controls to assure conservation of species habitat. Instead, it is based on an incentive-based system of selling or trading habitat credits in an open market. This innovative approach, for the first time, provides landowners with real incentives and more importantly, the ability to choose how best to manage their own private property. The KCVFHCP is in the final stages of development and is scheduled to be completed in 2001. The HCP document and an Environmental Impact Statement will shortly be released, and the Implementing Agreement with the wildlife agencies is being developed.

Numerous agencies, in concert with the State of California and local government entities, as well as the private oil and gas industry have contributed funding, time and other resources toward developing the KCVFHCP. The KCVFHCP program will be completed in late 2001, provided there is the necessary federal funding for the acquisition of habitat to mitigate for oil and gas operations and development. Additional funding is critical to completing the HCP. This is one of the final steps necessary to implement the conservation strategy. Because of the extensive private, local and state government financial support that went into the development of this program, federal participation in program implementation will demonstrate that the burden of ESA compliance is not being placed exclusively on private property owners. Program funding will also contribute to eventual species recovery.

PROGRAM FUNDING NEEDS

In order for the KCVFHCP to be implemented, the program requires funding in the amount of $1.5 million (augments the $1.5 million in state and federal funding received in 1997) that could be funded in increments over the first two years of the program. The purpose of this funding is described as follows:

Oil Development Issue

A mitigation strategy has been devised that is intended to acknowledge existing oil field activities within Kern County. The strategy proposes to acquire 3,000 acres of endangered species habitat to mitigate for species loss resulting from oil field development outside of established oil field production areas, but within proximity of those areas. This is to allow for reasonable expansion of oil field activities over the life of the HCP program. The program strategy allocates $3.0 million for acquisition and perpetual maintenance of species reserve areas. With this type of strategy, oil field expansion activities would be provided for in the program. This strategy would be of great benefit to the small independent oil and gas companies within the program area.

Urban Development/County Infrastructure Issue

The conservation program includes an Urban Development/County Infrastructure mitigation strategy that mitigates for species habitat loss through the use of an incentive-based system of selling or trading habitat credits in an open market. This innovative program will add market value to land that is needed by project proponents to comply with endangered species laws. Protected species of plants and animals will benefit from a program that promotes private property owners to conserve permanent habitat preserves consistent with the objectives of the ESA.

Federal Funding Support will Augment Local Government and Private Industry Efforts to Comply with the Endangered Species Act

The $1.5 million required for the oil field strategy would help contribute to satisfying the program's endangered species conservation goals, while also providing for continued economic growth of Kern County's oil and urban development activities. Protected species would benefit from a comprehensive long-term program that promotes the creation of permanent habitat preserves.

Numerous private businesses, in concert with the State of California and local government entities, are attempting to do their part, and we come to the appropriations process to request assistance in obtaining a fair federal share of financial support for this important effort. This unique cooperative partnership involving state and local government, as well as private industry, has contributed substantial funds to date, to assist in the development of this program.

The California Industry and Government Coalition appreciates the Subcommittee's consideration of this request for a fiscal year 2001 appropriation to support implementation of this significant program.

PREPARED STATEMENT OF THE KNIK TRIBAL COUNCIL

Thank you, Mr. Chairman, I am Paul B. Theodore, Chief of the Knik Tribe and Knik Tribal Council. I am pleased to appear before you today to discuss the plight of my People.

INTRODUCTION

The Knik Tribal Council represents descendants of the aboriginal people of the Knik and Upper Cook Inlet areas, with a common bond of residence and/or association with the Native community of Knik. Knik Tribal Council promotes the Tribe's social economic, and cultural progress for all its members. The Knik Tribe is the oldest in the area and its people occupied the land before the Russian immigration.

The Knik Tribal Council, the recognized tribal entity, in this area, has emerged as one of the Tribal leaders in organizing to provide needed services and advocacy for the Alaska Native/American Indian population in the Mat-Su Valley. The Alaska Native/American Indian population in the Mat-Su Valley is approximately 3,300 of the total population of 60,000.

The Alaska Native/American Indian population in the Mat-Su Valley increased from 688 in 1980 to 3,300 in 1998, making the Mat-Su Valley the fastest growing Alaska Native/American Indian population in the entire state. The rapid growth within the Mat-Su Valley is felt in lack of employment opportunities, inadequate access to a limited amount of services, tight housing market and limited transportation access.

CLEANUP OF THE FUDS LOCATION NIKE/GOOSE BAY MISSILE SITE

The Knik Tribal Council is currently in the beginnings of a relationship with the United States Army Corps of Engineers to cleanup and restore the location formerly known as the Nike/Goose Bay Missile Site in Knik, Alaska. This site is known to contain harmful contaminants and poses a definite threat to human life. Area teenagers and hunters are known to frequent this land and thereby take the contamination home on their shoes and clothing.

We wish to receive help to allow us to operate at our full capacity. The DOD is only providing funding for this one project, but the Tribe wishes to fully restore our Native lands to their former uses.

RESTORATION OF SUBSISTENCE LANDS AND FOODS

Mr. Chairman, my people no longer have a viable source of subsistence foods and are quickly losing their lifestyle. The Beluga whales and other marine mammals have dwindled to a point where all the Tribes in the area have to compete with illegal hunters and sports fisherman. We need funding to restore this population with fisheries and protected breeding grounds. The contaminants from the afore mentioned site are seeping into the Cook Inlet and the ground water, poisoning my people. Our subsistence foods are the mainstay of our culture.

I wish to perform studies to determine the wide impact the contaminants have had on my People and surveys of what my people need in order to survive. Mr. Chairman, these studies are long range and costly. My resources are few and we have to use them to operate our current programs, which include a food bank, dental, and optometry services and a library. We also have a Tribal youth program which serves to prevent juvenile delinquency and substance abuse. This brings me to another subject which is impacting my people.

MEDICAL CLINIC

We are located an hour from the nearest major city and this is problematic for my people when they need serious care. Our pregnant women have to travel a great distance, which, if you are a woman who has ever been in labor, you know to be traumatic. We no longer have medicine people in our Tribe capable of the healing

arts. We are looking for funding for a medical complex, which we will build in the town of Wasilla and will serve low—income families. This will also require staffing and equipment. We are unable to keep our people from becoming ill by the contaminants at this time, but we wish to help them alleviate their pain.

CONCLUSION

In conclusion, I wish to once again express my concern for the welfare of my People and I hope I have been able to expand your knowledge today of their plight. Mr. Chairman, this completes my statement. I am prepared to answer your questions as well as those of other members of the Committee.

PREPARED STATEMENT OF THE COQUILLE INDIAN TRIBE

Mr. Chairman, I am Ed Metcalf, Chairman of the Coquille Indian Tribe, on the behalf of which I hereby submit this testimony with the following requests for the fiscal year 2002 Bureau of Indian Affairs appropriation:

(1) Increase the Coquille Tribe's base funding in Tribal Priority Allocations by $300,000 to provide basic trust management of the Coquille Forest,

(2) Designate $80,000 in BIA Law Enforcement for the Coquille Tribe, and

(3) Increase the Coquille Tribe's base funding in Tribal Priority Allocations by $50,000 to help establish our Tribal Court.

Details and justification of our above requests are discussed below.

(1) Increase the Coquille Tribe's base funding in Tribal Priority Allocations by $300,000 to provide basic trust management of the Coquille Forest.—We request that $300,000 be added to the Coquille Tribe's on-going base funding in the B.I.A.'s Tribal Priority Allocations appropriations item to establish a permanent funding base for management of the Coquille Forest.

Nearly five years after Congress restored homelands to the Coquille Tribe with the establishment of the Coquille Forest (Public Law 104–208), no on-going base funding has been provided for the management and operation of these trust lands. Since the establishment of the Coquille Forest, the BIA has repeatedly declined to include any funding in its annual budget request to Congress for these productive trust timberlands. We have calculated that a minimal annual budget to manage these lands, which are required to comply with environmental standards for surrounding B.L.M. lands, to be $300,000.

In recent years, at our urging, B.I.A. has patched together some funds for intermittent management projects on our 5,400 acre Forest. But our first timber sale is now out to bid, and we plan another sale this summer that will have harvest scheduled across the next four years. Our need for stable, on-going management funding from our trustee is now critical. We urge that the $300,000 be added to our Tribe's budget in the B.I.A. Tribal Priority Allocation appropriation, which provides on-going base funds for tribes.

In the event a $300,000 addition is not feasible, we ask that $200,000 for our Forest be directed into our T.P.A. account from the B.I.A.'s $1.5 million Northwest tribal timber harvest initiative appropriation. The Northwest tribal timber harvest initiative is appropriated as part of the B.I.A. Forestry program in the Non-Recurring Programs activity. In the past few years, B.I.A. has used funds from this program as part of its temporary funding for the Coquille Forest. The purpose of the harvest initiative has been to accelerate harvest from tribal timber backlogs to help offset the reduction in timber from federal lands in the Northwest. Dedicating a small portion of those funds for management of the new Coquille Forest is consistent with those objectives, and a $200,000 transfer to the Coquille T.P.A. program will not significantly disrupt other participants in the program. Moving forward with the timber sale program and other management activities on Coquille Forest land is crucial for meeting the Tribe's revenue needs and will provide timber industry jobs and economic benefits to communities in this economically depressed area of the Oregon coast.

(2) and (3) Designate $80,000 in BIA Law Enforcement for the Coquille Tribe and add $50,000 for tribal courts to Coquille base funding.—We request that $80,000 be designated within the B.I.A. Law Enforcement budget for the Coquille Tribe, and that $50,000 for our Tribal Court be added to the Coquille Tribe's on-going base funding in the B.I.A.'s Tribal Priority Allocation budget.

The Coquille Tribal Police and Public Safety Department was established in 1994 to address the specific needs of law enforcement and public safety within our Homelands community. Our Homelands include tribal housing, our Health Center/Clinic, our Cranberry Farm, the Equipment Maintenance Shop, and our Community Center Head Start building. Our Homelands are the very center of our Tribal community,

and is on reservation land. Our Homelands are in an area where the crime rate is the highest in Coos County, and the provision of sufficient law enforcement is essential. The Bureau of Indian Affairs has responsibility for provision of public safety on Indian reservation lands, but despite several years of funding increases for a law enforcement improvement initiative, has repeatedly rejected our requests for law enforcement assistance. To provide a desperately needed supplement for our own law enforcement spending, we ask that $80,000 be designated for our Tribe in the B.I.A. Law Enforcement Initiative budget.

We also request that $50,000 for our Tribal Court be added to the Coquille Tribe's budget in the B.I.A. Tribal Priority Allocation activity. The Coquille Tribal Constitution, Congressionally approved in 1991, mandates that the Tribe establish a Tribal Court system. Following the development of our Tribal Police and Public Safety Department, we established our Coquille Tribal Court in 1999. The B.I.A. has not provided any funding assistance, and the Tribe's having to bear this requirement is causing considerable hardship.

Although the Tribe took the initiative and assumed responsibility for developing and implementing these "new" programs, this action has placed the Tribe in the difficult position of having to carve funding from other programs and services.

For budget reasons in recent years, the B.I.A. has taken the position of not providing specific funding for "new" programs. For our Tribe, which was restored to federal recognition in June of 1989, this is directly affecting our legitimate participation in the full range of Bureau programs for tribes. Since restoration, all of our programs could be classified as "new," even though our development of various programs is a function of our evolving restoration process. The development of our Homelands, then the development of a needed Public Safety Department, and then the development of our Tribal Court are all examples of this process. Although B.I.A. appropriated $11 million for tribal courts in fiscal year 2001 and $141 million for law enforcement, our Tribe has not participated in either. The B.I.A.'s present policy of excluding new programs from funding for necessary public services puts a disproportionate burden upon new tribes. The rationale of not providing funding because it has not been provided in the past seems arbitrary at best. The Coquille Tribe's program needs are legitimate, regardless of their history.

We hope that the Subcommittee will be able to favorably consider these requests. If there are any questions regarding the Forestry request, please contact George Smith in our office. For public safety and courts questions, please contact Kathy Henry.

Thank you for your consideration.

PREPARED STATEMENT OF THE WIDE RUINS COMMUNITY SCHOOL BOARD, INC.

The Wide Ruins Community School is a tribally controlled grant school located within the Navajo Reservation near Chambers, Arizona. Since 1998, the School has been tribally operated under the direction of the Wide Ruins Community School Board, Inc. We currently serve approximately 216 students from kindergarten through sixth grade. Because there are no paved roads in our area and many of our students' homes are in extremely remote locations, Wide Ruins Community School offers both day and residential programs. To address our school's urgent need for school construction and administrative funding, we ask that the fiscal year 2002 BIA budget include construction funding for the next ten schools on the new school construction priority list, as well as full funding for Administrative Cost Grants at $54 million.

SCHOOL CONSTRUCTION NEEDS

The extremely poor condition of our school facility poses an immediate and serious threat to the health and safety of our students. The BIA recognized this pressing need by placing Wide Ruins Community School on the top tier of the priority list for school construction. With six schools from the list funded for construction under the fiscal year 2001 budget, we are now eighth in line for appropriations to fund construction.

We commend Congress for funding construction of six new school facilities in fiscal year 2001. In fiscal year 2002, given the length of the list of schools in need and the pressing safety concerns that Wide Ruins and so many other schools face, we strongly urge you to fund construction of at least ten additional schools on the BIA Education Facilities Replacement List.

The deficiencies in our facilities distract significantly from the educational program of our school and pose health, safety, and educational risks to children for whom we are charged with providing a safe and healthily leaning environment.

There were 100 serious health and safety hazards (S–1 deficiencies) reported on our school's BIA FACCOM report as of June 2, 1999, an increase of 89 percent from the previous year and 355 percent over the previous two years. Our kindergarten and first grade classes are held in an antiquated dormitory that a BIA safety officer has declared unsafe. Our shortage of classroom space has also forced us to add seven portable buildings. We cannot accommodate the student demand for dormitory space, and our dormitory facilities are not set up to serve more than 80 students. Currently we have 25 students on a waiting list for dormitory space.

These conditions are entirely unacceptable. There is no room for years of delay in facilities construction when the health and safety of young people is at stake. We are encouraged by the new Administration's comments with regard to the importance of funding the backlog of school construction needs in the BIA school system. We hope that the increasing awareness of the extreme neglect that these facilities have suffered will empower Congress and the Administration to work together to fund the replacement of at least ten schools in fiscal year 2002.

Administrative Cost Grants

As you may know, the Administrative Cost Grant is a formula-based method created by Congress to calculate the amount of funds that should be provided to a tribe or tribal school board for the administrative and indirect cost expenses incurred in the operation of BIA school programs. Administrative Cost Grants serve the same purpose as "contract support costs" provided to Indian tribes who operate non-school programs under Indian Self-Determination Act contracts with BIA and the Indian health Service.

We were pleased to note that Congress increased Administrative Cost Grant funding by $1 million in fiscal year 2001 after funding had been frozen at the same level ($42.1 million) for three consecutive years (fiscal year 1998, fiscal year 1999 and fiscal year 2000). Yet during those years, additional schools converted to tribal operation, which means that the available appropriation must be divided between a larger number of schools. The percentage of the formula met has declined from 89.5 percent (fiscal year 1998) to 81 percent (estimate for fiscal year 2000) in those budget years.[1] During those years, schools' costs have continued to increase.

The Administrative Cost Grant formula was designed as a compromise, a minimum calculation of the administrative costs necessary for prudent management of tribally operated schools. When 100 percent of these costs are not funded, our schools are set up for failure. Many tribally operated schools have been forced to make reductions-in-force that cost them vital, well-trained administrative staff. Remaining staff struggle under the stress of being overloaded with the work of multiple people. Some schools have had to convert their administrative staff to a 10-month employment year, leaving them ill-prepared to close out the administrative work of the previous school year and to prepare for the coming school year and annual audit. Reduced funding also forces curtailed staff training in new education developments, curriculum ideas, and technology information.

The situation has become so pressing that the National Congress of American Indians and the National Indian Education Association both passed resolutions this year calling for full funding of Administrative Cost Grants. We implore Congress to join these bodies in recognizing that tribal schools' needs for administrative costs are just as great as those of other tribally operated BIA and I.H.S. programs. Please provide funding for the full need generated by the Administrative Cost Grant formula, which we estimate will require approximately $54 million in fiscal year 2002.

We also ask that the appropriations rider included in recent Interior Appropriations measures capping Administrative cost Grant funding be removed from future budgets. This language is intended to overturn a 1997 decision by the Interior Board of Contract Appeals that said that the BIA violated the law by failing to pay the Alamo Navajo School Board and the Miccosukee Tribal School the full amount of AC grant that was required by federal law. We ask that you delete any proposal to extend the current cap for another year and fully fund AC grants at 100 percent of need, as required under the authorizing statute.

Thank for your considering our concerns as you move forward in preparing the fiscal year 2002 Budget. We look forward to working with you to ensure that the BIA-funded school system, one of only two federally funded school systems, becomes a hallmark of what is possible when everyone works together for the benefit of children.

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[1] BIA education program funding is "forward funded", as are most federal aid to education programs. Thus, for example, the fiscal year 1999 budget funded the current school year, SY 1999–2000, and the fiscal year 2000 budget will fund SY 2000–01.

PREPARED STATEMENT OF THE UPPER MISSISSIPPI RIVER BASIN ASSOCIATION

The Upper Mississippi River Basin Association (UMRBA) is the organization created 20 years ago by the Governors of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to serve as a forum for coordinating the five states' river-related programs and policies and for collaborating with federal agencies on regional water resource issues. As such, the UMRBA has an interest in the budget for both the U.S. Fish and Wildlife Service and the U.S. Geological Survey.

U.S. FISH AND WILDLIFE SERVICE

The U.S. Fish and Wildlife Service has important responsibilities in the Upper Mississippi River Basin, including management of federal refuge lands and coordination with other federal, state, and local agencies on river-related ecological issues. Yet Region 3 continues to struggle to meet the needs in the region. The UMRBA strongly supports additional funding to enable the Fish and Wildlife Service to fulfill its responsibilities in the Upper Mississippi River Basin.

Refuges and Wildlife.—The U.S. Fish and Wildlife Service administers over 250,000 acres of land and water scattered along the Mississippi and Illinois Rivers from the most northerly unit near Wabasha, Minnesota to the most southerly unit near Grafton, Illinois. This includes the Upper Mississippi River National Wildlife and Fish Refuge (NWFR), Mark Twain NWR, and Illinois River NWFR. The existence of this extensive national refuge system is, in part, the reason that, in 1986, Congress designated the Upper Mississippi River System as a "nationally significant ecosystem and a nationally significant commercial navigation system."

The UMRBA strongly supports the proposed increase of nearly $15 million for Refuge Operations and Maintenance in the President's fiscal year 2002 budget. In fiscal year 2001, funding for the three refuges along the Upper Mississippi and Illinois Rivers totaled approximately $5.5 million, yet there continues to be a significant maintenance backlog. Of particular concern to the UMRBA is the fact that the refuges on the Upper Mississippi and Illinois Rivers have responsibility for the operation and maintenance (O&M) of projects that the Corps of Engineers constructs under the authority of the Environmental Management Program (EMP). The current annual O&M costs of these projects is about $330,000. If the refuge operations budget is not increased to accommodate EMP habitat projects, the future of the EMP, which Congress recently reauthorized, will be in jeopardy. In addition, there is a critical need for additional personnel to address law enforcement, biological needs, floodplain forest management, environmental education, and other refuge management needs.

Ecological Services.—Funding from the Ecological Services account supports the field offices in Rock Island (IL), the Twin Cities (MN), and Marion (IL) that provide most of the ecological services work on the Upper Mississippi River (UMR) and tributaries, including work on threatened and endangered species, environmental contaminants, and habitat conservation. In fiscal year 2001, work being done by these Ecological Services field offices related to the Upper Mississippi River is estimated to be $375,000.

The UMRBA supports this base funding for Ecological Services offices on the UMR and urges Congress to provide additional funding for the following specific UMR efforts: $650,000 to support the Habitat Needs Assessment in cooperation with the U.S. Army Corps of Engineers; $300,000 to support water quality efforts, including nutrient studies, biocriteria for water quality standards, superfund investigations, and consultation on state water quality standards; $700,000 for habitat restoration in UMR watersheds; $400,000 to support mitigation activities associated with federal navigation and flood control projects; $600,000 for needs related to the Endangered Species Act, including work on freshwater mussels and large river fishes; and $100,000 for administrative support of the Upper Mississippi River Conservation Committee.

Fisheries.—Most of the Service's fish management on the Upper Mississippi River is conducted out of the La Crosse (WI), Columbia (MO), and Carterville (IL) Fisheries Resource Offices. Fish stocking is done from the National Fish Hatchery in Genoa, Wisconsin and fish health concerns are addressed by the Fish Health Center in Onalaska, Wisconsin.

The UMRBA supports the important work done by these offices and thus supports the funding proposed in the President's budget for the Fisheries account in fiscal year 2002. Approximately $600,000 is being provided for fisheries work on the Upper Mississippi River in fiscal year 2001. However, needs are continuing to increase. Fish passage at Mississippi River locks and dams for interjurisdictional species such as paddlefish and sturgeon is a growing concern. In addition, the Fisheries Operational Needs System (FONS) has a backlog of 35 projects totaling $3.1 million.

Unfunded projects include habitat restoration, assessment of main channel fishes, fish use of floodplain connected habitats on refuge lands, and production of fish for recreational use on refuge lands.

U.S. GEOLOGICAL SURVEY

The USGS budget for fiscal year 2002 is proposed to be cut by over $69 million, a reduction of nearly 8 percent. Particularly alarming is the 22 percent cut for the USGS Water Resources Division. Such a substantial cutback would have debilitating effects on this country's water data and science programs. This cut is based on the premise that the USGS must focus on meeting the science needs of the Department of the Interior's land and resource management bureaus, while seeking reimbursement for the services that it claims primarily benefit other federal agencies, states, and local governments. This view of the USGS role is inconsistent with its history, current role, and the vision for its future put forth in the recent report of the National Research Council. As this nation's premier natural science agency, USGS must certainly continue to serve as the science arm of the Department of the Interior. But as the NRC recognizes, "USGS also has significant responsibilities in support of other government agencies, states and local governments, tribes, industry, academic institutions, and the public."

The states of the Upper Mississippi River basin are deeply troubled that the fiscal year 2002 budget cuts proposed for USGS will compromise its ability to provide timely and unbiased scientific information about complex natural systems. There are several specific research and monitoring programs in the Water Resources Division (WRD) and Biological Resources Division (BRD) that are of particular interest to the UMRBA.

Water Resources.—The USGS Water Resources Assessments and Research budget is proposed to be cut by 31 percent, entirely eliminating the Toxic Substances Hydrology program in fiscal year 2002. The Toxics Program, which conducts research on the behavior of toxic substances in the nation's hydrologic environments, is particularly important to the states of the Upper Midwest. Under this program, USGS has been studying the occurrence, transport, and fate of agricultural chemicals in a 12-state area in the Upper Midwest. This research effort, called the "Midcontinent Herbicide Project," is helping to identify factors that affect dispersal of agricultural chemicals in surface and ground waters from point of application and evaluating the resulting effects in small streams and large rivers. The goal is to provide the general scientific basis needed to develop agricultural management practices that protect the quality of this region's water resources. Through its Toxics Program, USGS is also studying questions associated with hypoxia in the Gulf of Mexico, including the loads and sources of nutrients from the Mississippi River basin. Given the important work underway in the USGS Toxic Substances Hydrology Program, UMRBA urges Congress to restore the $10 million proposed cut.

The UMRBA continues to support funding for the National Water Quality Assessment (NAWQA). NAWQA is designed to answer basic questions about the status and trends in the quality of our nation's ground and surface waters. By assessing 59 study units across the nation on a rotating basis, NAWQA is providing the data needed for broad scale assessments and comparative analyses. Local, state, and federal water managers are also using the data to address more local concerns. Under the President's fiscal year 2002 budget, NAWQA funding would be reduced by $20 million, suspending the work on 14 Cycle II study units for one year to "aggressively pursue cost-sharing from the program's stakeholders." While none of the 14 units to be suspended are within the five UMRBA states, the states of this basin are concerned about the long-term viability of the NAWQA program. The Upper Mississippi River Basin includes four NAWQA study units (Upper Mississippi, Eastern Iowa, Lower Illinois, and Upper Illinois), three of which are scheduled for reactivation in fiscal year 2004.

The UMRBA is also deeply concerned about the proposed 26 percent reduction in funding for Water Data Collection. Of particular concern is the $5 million funding cut for stream gages. This would be a devastating setback to recent efforts by USGS and its many federal, state, and local partners to bolster our nation's network of gages. The stream gaging network is essential to protecting public health and safety by forecasting floods and droughts, managing the nation's navigation system, and monitoring water quality. There are currently 319 stream gages operated by USGS in the five UMRBA states. Over recent years, 80 gages have become inactive in the five states, many as a result of funding cutbacks. The loss of gages means the loss of the historical record that is needed for managing our nation's water resources. Rather than cutting the gaging program further, we should be moving toward implementing the network enhancements proposed in the USGS plan for the National

Streamflow Information Program. Congress began this process by providing increases for stream gaging funding of $2 million in fiscal year 2000 and $3.1 million in fiscal year 2001. UMRBA recommends that this enhanced funding strategy continue in fiscal year 2002.

Finally, the UMRBA supports the modest, but important, $1.577 million increase proposed for the Federal/State Cooperative Water Program. The Coop Program is an essential tool in meeting state and local science needs. Cooperators generally match every $1.00 in federal funds with $1.50, demonstrating the value they place on the program.

Biological Resources.—The President's fiscal year 2002 budget proposes a 7 percent reduction for USGS' Biological Resources Division. Among the cuts of particular concern to the UMRBA are those for fire ecology research, the GAP program, and the National Biological Information Infrastructure program. Given that the Upper Midwest Environmental Sciences Center (UMESC) would be affected either directly or indirectly by all of these reductions, the UMRBA urges that these funds be restored.

The USGS fire ecology research, which is proposed to be funded in fiscal year 2002 under the Department's Wildland Fire Management account, would be cut by $2.8 million. As part of this reduction, UMESC funding would be cut by $159,000, terminating its studies of critical water meadow habitats for declining grassland birds in the Upper Midwest. Fire is one of the techniques that are presently employed and is included in the study as an approach for eradicating exotic plants. The study also is designed to provide land managers with new approaches to reestablish native vegetation in support of this declining bird group.

Funding for the Gap Analysis Program (GAP) is slated for a decrease of $499,000 in addition to eliminating the $2.993 million provided for GAP in fiscal year 2001 under the Land Conservation, Preservation and Infrastructure Program. These cuts will mean a reduction of $360,000 at UMESC. GAP analysis is a scientific method for identifying the degree to which native species and natural communities are represented in currently protected and undisturbed habitat areas. This allows land managers, planners, and biologists to identify species for which there are conservation "gaps." UMESC directs the Upper Midwest GAP partnership with the states of Wisconsin, Minnesota, Illinois, Indiana, and Michigan. In addition, UMESC is developing an Aquatic GAP program prototype for large river systems, with the Upper Mississippi River as a pilot system. If the proposed fiscal year 2002 funding cuts are not restored, UMESC will terminate the Aquatic Gap pilot on the Upper Mississippi River, an effort designed to identify critical habitats on the river system. Such information is expected to greatly enhance science-based decision about habitat projects undertaken as part of the Upper Mississippi River Environmental Management Program (EMP) and management of the National Wildlife Refuges on the river.

The discontinuation of funding for the National Biological Information Infrastructure (NBII) program, which helps maintain biological information web sites, will also have an impact on UMESC, as well as other federal, state, local, and private partners who share biological information via this program. NBII helps provide access to biological databases and information that are important to natural resource managers and scientists throughout the country. UMRBA thus urges that funding for NBII be restored.

PREPARED STATEMENT OF THE CITY OF FAIRFIELD, CA

Mr. Chairman and members of the Senate Interior Appropriations Subcommittee, I would like to thank you for this opportunity to testify before you. My name is George Pettygrove and I am the mayor of the City of Fairfield, California. On behalf of the citizens of Fairfield, I request your support for one of the City's highest priorities for the fiscal year 2002.

The City of Fairfield, California requests a $5 million earmark in the fiscal year 2002 Interior Appropriations for land acquisition associated with the Fairfield-Vacaville Greenbelt Project.

In 1989, the City of Fairfield and the City of Vacaville initiated a planning process to create an open space greenbelt buffer between the two cities. In addition to ensuring separation between the two cities, the Fairfield-Vacaville Greenbelt Project will ensure the preservation of rapidly disappearing open space and viable agricultural lands in the region.

A joint powers agreement between the two cities in 1994 outlined project goals, including: preserve and conserve viable agricultural and open space land; provide permanent separation between the two urban areas; provide for a range of land uses

compatible with open space values; provide trail linkages; and provide for an urban limit line buffer.

In 1996, the cities identified the location of the proposed greenbelt and analyzed land acquisition and other associated costs. Federal participation is essential to the success of this project, and federal funding will be used to leverage non-federal funding opportunities for this project.

Thank you again for this opportunity to testify before this committee.

PREPARED STATEMENT OF THE CITY OF FOLSOM, CA

Mr. Chairman and members of the Senate Interior Appropriations Subcommittee, I would like to thank you for this opportunity to testify before you. My name is Steve Miklos and I am the mayor of the City of Folsom, California. On behalf of the citizens of Folsom, I request your support for one of the City's highest priorities for the fiscal year 2002.

The City of Folsom requests your support of a $2 million earmark in the fiscal year 2002 Interior Appropriations Bill for planning and land acquisition to assist the City in preserving open space and historically significant areas within the City of Folsom.

Less than two decades ago, the City of Folsom was a small foothill community with significant open space pastureland acreage within the city limits. Since then, Folsom has become one of California's fastest growing communities, with residential and commercial land uses quickly eliminating open space.

The City has a strong interest in protecting open space within the City limits. An example of open space projects is the Broder Ranch Project. Broder Ranch provides one of the last opportunities to acquire and preserve open space representative of Folsom's history. The ranch is under significant and immediate development pressure and is likely to be converted to urbanized uses unless it is acquired and set aside as open space. The City is interested in making Broder Ranch an interpretive working ranch, which would be very educational regarding ranch life, water supply, cattle industry, the railroads, and Folsom's heritage of the most western terminus of the railroad. All of these past influences could be studied, practiced, and lived on this piece of land.

Thank you again for this opportunity to testify before this committee.

PREPARED STATEMENT OF THE COUNTY OF MARION, OR

Mr. Chairman and members of the Senate Interior Appropriations Subcommittee, I would like to thank you for this opportunity to testify before you. My name is Randy Franke and I am the Chairman of the Board of Commissioners for the County of Marion, Oregon. On behalf of the citizens of Marion County, I request your support for one of the County's highest priorities for the fiscal year 2002.

The Marion County Parks Department requests your support of a $1 million earmark in the fiscal year 2002 Interior Appropriations bill, under the Land & Water Conservation Fund, to assist the County in acquiring critical wetlands in the Historic Lake Labish Basin.

The Lake Labish Wetland is identified in the Marion County Natural Heritage Parks Master Plan. Environmental scientists and biologists with the Army Corp of Engineers, Oregon Department of Fish and Wildlife, U.S. Fish and Wildlife Service, and other conservation and environmental organizations identify Lake Labish as a key ecological restoration site.

The project involves approximately 200 acres of exceptional wetlands and uplands in the Labish Basin. Its rare peat bog soils and plant communities represent a tremendous ecological restoration opportunity for Marion County and the State of Oregon. This project will be part of a 300-acre wetland complex near the Keizer UGB. Both during and after restoration, the property offers high-value educational opportunities to area schools and will also serve as a high-value recreation resource. These wetlands at Lake Labish will also provide important flood abatement potential in an area with historic flooding problems. Restoration of the site will also improve area water quality, wildlife habitat, biodiversity, and aesthetics.

Thank you again for this opportunity to testify before this committee.

PREPARED STATEMENT OF THE CITY OF ROSEVILLE, CA

Mr. Chairman and members of the Senate Interior Appropriations Subcommittee, I would like to thank you for this opportunity to testify before you. My name is

Claudia Gamar and I am the mayor of the City of Roseville, California. On behalf of the citizens of Roseville, I request your support for one of the City's highest priorities for the fiscal year 2002.

The City of Roseville requests your support of a $1.5 million earmark in the fiscal year 2002 Interior Appropriations bill to construct a permanent 7,200 square foot Maidu Interpretive Center building located within the 152 acre Maidu Regional Park.

The Maidu Interpretive Center building will be located on an archeologically significant historic site in the northeast corner of Maidu Regional Park in Roseville. The site was occupied by ancient cultures, and later by the Nisenan (southern Maidu) Indian culture. There are over 300 bedrock mortar holes and many petroglyphs on the site dating from 21,000–5,000 years ago, indicating a significant village site.

The City of Roseville acquired the site in 1973. Through the City's efforts, the site was officially designated as a historical site by the State of California and placed on the National Register of Historic Sites. The City has taken steps to preserve the site through fencing, and public access is provided through docent tours.

The Maidu Interpretive Center is a top priority for the City of Roseville. The Center will provide a focal point for visitors to view Maidu artifacts, learn about the Maidu culture, local plants and animals, and experience the Maidu way of life. The site currently hosts over 6,500 school children annually from the greater Sacramento region, and the new Maidu Interpretive Center will significantly enhance the educational experience for students and other visitors.

The City of Roseville, the Auburn Maidu Rancheria, the Cultural Arts Commission, and numerous volunteers, have been working for over 10 years to construct the Maidu Interpretive Center. Through these efforts the volunteer lead docent tours were established; an interpretive trail through the historical site was constructed; $1.2 million in grants and City funds have been assembled to pay for the first phase of development of the Maidu Interpretive Center, including temporary building and site improvements; and all formal approvals and environmental documents have been completed.

The estimated cost for completing the permanent Maidu Interpretive Center is $1.5 million. The City of Roseville is constantly pursuing various grants and fundraising opportunities to finance the permanent building, but federal assistance is needed for project success.

Thank you again for this opportunity to testify before this committee.

PREPARED STATEMENT OF THE NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

REQUEST

The National Conference of State Historic Preservation Officers asks Congress to withdraw $150,000,000 from the Historic Preservation Fund (16 U.S.C. 470h) in fiscal year 2002 for State Historic Preservation Offices and Indian tribes. Preservation of America's heritage of historic buildings and sites made possible by the Historic Preservation Fund is an ongoing promise made by the Congress to the people of the United States.

WHY $150,000,000?

$150,000,000 is the amount Congress has repeatedly determined to be the appropriate funding level for historic preservation. In 2000, after two years of full consideration, Congress reauthorized the Historic Preservation Fund (Public Law 106–208) at $150,000,000. With this authorized amount, States can carry on the mandated nationwide historic preservation program and can rescue the most significant threatened historic places—if Congress keeps the promise of $150,000,000.

HISTORIC PRESERVATION FUND SHOULD ADVANCE, NOT RETREAT

The Administration budget, while raising the Interior budget 4 percent, cut the Historic Preservation Fund by $57 million from the $94 million level of 2001 to $37 million. The grants to the States were cut 35 percent. The fiscal year 2001 appropriation represents the first time that Congress had provided an increase after two decades of bare bones funding. Congress must build on the foundation laid in 2001 for Historic Preservation Fund in creases to States and tribes to preserve our heritage, our legacy to our children.

HISTORIC PRESERVATION FUND FINANCES STATES TO CARRY OUT A FEDERAL MANDATE

When State Historic Preservation Offices and their National Conference come to Congress for Historic Preservation Fund appropriations, they are asking Congress to support a federal mandate. The National Historic Preservation Act (16 U.S.C. 470) created a partnership between the Department of the Interior and all of the states. Instead of creating a large federal bureaucracy in historic preservation, the Historic Preservation Fund enables each state to carry out historic preservation activities on behalf of the federal government.

The historic preservation program is an excellent example of federalism. Our national heritage rests in the historic buildings, sites, and neighborhoods of cities, towns, and rural areas located in each of the States. States volunteer to work with the federal government to maintain and enhance these assets. The Historic Preservation Fund pays only half the cost of the federally created national historic preservation program. States match the federal dollars, and State Historic Preservation Offices do the actual work of the program. The Secretary of the Interior and the National Park Service establish standards and guidelines, while governors oversee the effective operation of the program in their state.

USING THE HISTORIC PRESERVATION FUND STATES DO FEDERAL WORK

Some examples of State Historic Preservation Office work, made possible by the HPF, include the following.

—State Historic Preservation Offices assist private developers to invest in historic buildings. The expenses of historic rehabilitation are partially offset by a federal income tax credit. Last year State Historic Preservation Offices facilitated the completion of 1,065 projects representing an investment of $2.6 billion. These investments created more than 41,000 jobs and renovated more than 17,000 housing units, often in distressed urban areas. If State Historic Preservation Offices lack adequate resources from the Historic Preservation Fund to provide assistance and technical reviews, it will be difficult for these development projects to be completed.

The New York Times often chronicles the successes of the Historic Preservation Fund investment in the Real Estate Section. The April 29, 2001, article by Maureen Milford talked about reviving an abandoned, National Register warehouse on the Schuylkill River in Philadelphia for housing. A representative from the local development organization said: "This has really given a kick, kind of like a high-energy drink, to the whole redevelopment of the waterfront."

Without the Historic Preservation Fund investment in the Pennsylvania State Historic Preservation Office for the National Register nomination and the review of the plans for the redevelopment, this $58 million investment and success story would not have happened.

—State Historic Preservation Offices assist federal agencies and applicants for federal assistance to avoid damaging historic buildings and sites. When federal actions harm historic places, State Historic Preservation Offices provide a resource to take the consequences of those actions into account. State Historic Preservation Offices maintain information about the location and historical significance of properties that is vital for federal project planning. The more complete the historic property information, the easier project review becomes. The Historic Preservation Fund investment in the information and the professional expertise to guide federal agencies expedites project review which usually results in final approval. Further, consultation at the State level keeps decisionmaking close to home. If State Historic Preservation Offices are not given adequate funding to participate fully in the planning and review of federally assisted programs, delivery of needed services to agencies and citizens will be delayed and historic resources will be subjected to harm that could have been avoided.

—State Historic Preservation Offices administer grants to restore important historic buildings and sites when funds are available. States and individual communities know the most important and most threatened historic places; they provide funds to match federal grant dollars. Unfortunately the low level of federal appropriations from the Historic Preservation Fund to States has meant that most were not able to offer restoration grants. The $12 million increase from the Historic Preservation Fund for 2001 has reversed that trend. If Congress provides State Historic Preservation Offices with full funding, restoration grants will save the historic buildings and sites that are most important to local communities and embody the nation's heritage.

—State Historic Preservation Offices conduct studies to locate and research historic resources. When research shows a property to be significant, State Historic

Preservation Offices, working closely with property owners, nominate buildings, archaeological sites, and historic districts for listing on the National Register of Historic Places. National Register of Historic Places listing is a threshold requirement for tax incentives, protection, or grants. About one million properties have been listed on the National Register, but in many communities surveys to identify and document historic resources still have not been conducted. If State Historic Preservation Offices are not given adequate funding from the Historic Preservation Fund to conduct these studies, the benefits of the national historic preservation program will not be available and significant parts of the nation's heritage will be unrepresented.

CONCLUSION

Historic preservation in America has an enormous "ripple effect" in every section of the country. In older downtowns and on traditional Main Streets, rehabilitation of historic business buildings is an important economic development stimulus. In residential neighbor hoods of urban areas or rural towns, renovation of older houses offers good affordable homes for families and preserves the special character of hometowns. In industrial mill villages of New England and in rural areas nationwide, adaptive reuse of old mills or old barns reinvigorates the local economy while retaining vestiges of the community's heritage. In every state, tourism has become a major sector of the economy, and historic sites are universally recognized as a critical part of the travel industry.

Everywhere in the United States historic buildings and sites are valued for various reasons: economic development, housing, rebuilding urban areas, preserving the character of a special neighborhood or small town, helping to teach rising generations about their nation's past. In every state citizens recognize that the historic places close to home are also part of the heritage of the nation as a whole. That is the promise Congress originally offered in the National Historic Preservation Act. State Historic Preservation Offices in each state are fulfilling their part of the promise by carrying out the national historic preservation program and by raising the money to match federal funding. We ask that the Congress fulfill its part of the promise by appropriating for States and tribes the full authorized funding of the Historic Preservation Fund: $150,000,000.

PREPARED STATEMENT OF THE NEZ PERCE TRIBE

The Nez Perce Tribe requests the following funding amounts for fiscal year 2002, which are specific to the Nez Perce Tribe:

—$933,500 through the Bureau of Indian Affairs Indian Rights Protection account for Water Rights Negotiation and Litigation to enable the Tribe to continue its participation in the Snake River Basin Adjudication, the largest water rights adjudication in the country.

—$150,000 through the United States Fish and Wildlife Service for Wildlife and Rare Species Evaluation/Coordination to gather data to aid in species recovery efforts to prevent Federal oversight.

—$400,000 through the BIA, Fish and Wildlife Program for fisheries conservation and restoration efforts in response to the 2000 Federal Columbia River Power System Biological Opinion

—$5,000,000 through the BIA for the Nez Perce Tribe Interpretative Center.

—$2,402,000 through the Indian Health Service for an upgrade of the City of Lapwai Water and Sewer System.

—$3,000,000 through the Indian Health Service for the Lapwai Ambulatory Health Center.

The Tribe urges support for the full and adequate funding of Tribal programs through the Department of the Interior fiscal year 2002 budget, with the specific requests discussed below.

SNAKE RIVER BASIN ADJUDICATION NEGOTIATIONS FUNDING: BIA $933,500

The Nez Perce Tribe has been involved in the Snake River Basin Adjudication (SRBA), the largest water rights adjudication in the country, since that proceeding was statutorily mandated by the Idaho Legislature in 1987. The SRBA is a general stream adjudication in which all the water rights in the Snake River basin (approximately 185,00 claims) will be determined. The basin encompasses approximately two-thirds of the geographic area of the State of Idaho, and much of the basin lies within the aboriginal territory of the Nez Perce Tribe. We are represented in this

proceeding by our own in-house counsel and by the Native American Rights Fund (NARF) in Boulder, Colorado.

In December 1998, the SRBA Court ordered the parties to the Nez Perce claims into mediation. The mediator jointly selected by the parties was Francis McGovern, a law professor whose mediation skills are internationally recognized.

For fiscal year 2002, the Nez Perce Tribe requests that Congress earmark $933,500 in the BIA's Indian Rights Protection Account for Water Rights Negotiation and Litigation for the Tribe, enabling us to continue our participation in the SRBA. These funds are vital to ensure the important, on-going work by fisheries, economic, historical, and engineering experts, as well as necessary attorney costs.

WILDLIFE RARE SPECIES EVALUATIONS/COORDINATION FUNDING: BIA, $150,000

The Nez Perce Tribe has been actively engaged in Wildlife Management since 1984. The program has grown in direct intervals in response to actions by Congress and has not seen a funding increase on more than five years.

In the last few years, numerous species of wildlife and plants have been added to the Idaho Species of Special Concern list and the United States Fish and Wildlife Service list of Candidate, Threatened, or Endangered species. In the area within and adjacent to the Nez Perce Reservation, several of these recently added species are known to exist, but little or no information has been gathered regarding these and other species which face extinction.

For fiscal year 2002, the Nez Perce Tribe requests that Congress designate $150,000 from the Bureau of Indian Affairs to fund a project that will enable the Tribe to know more about the species of wildlife and plants in our region to be more effective in preventing the need for adding species to the Federal or State lists by identifying species at special risk and managing their recovery without listing. By gathering the requisite data, the Tribe will document the existence of these species and their habitat use patterns to assist in developing recovery plans before populations reach a level where Federal oversight is necessary to recover the species.

NEZ PERCE TRIBE FISHERIES MANAGEMENT FUNDING: BIA, $400,000

The Nez Perce Tribe's Fisheries Program entails production, research, resident fisheries, habitat, and conservation enforcement. Currently under construction is the Nez Perce Tribal Hatchery which uses innovative "nature's" techniques to implement a salmon supplementation program in the Clearwater River Basin.

The recently released Federal Columbia River Power System Biological Opinion requires intense coordination and monitoring to reach the recovery goals delineated in the Opinion. The Tribe must elevate its fisheries capacity to complete the necessary work. In particular, the Tribe requires increased funding to ensure recovery through: coordinating and planning in-season management of hydro-system flow; harvest monitoring and conservation enforcement; extensive coordination and consultation with Federal agencies; and creating a partnership with local landowners to develop habitat plans to aid in fish recovery by providing technical assistance and replenishing populations on private land.

The Nez Perce Tribe requests that Congress designate $400,000 in fiscal year 2002 BIA Funding to ensure continued Tribal involvement and activities relating to the recovery of endangered and threatened salmon and steelhead in the Northwest.

NEZ PERCE TRIBE INTERPRETATIVE CENTER FUNDING: BIA, $5,000,000

The Nez Perce Tribe Department of Natural Resources will work cooperatively with state, Federal, and private organizations to provide and increase resource, recreation, and tourism opportunities for northern Idaho. The Tribe will work cooperatively with the Lewis Clark Bicentennial Committee and other local bicentennial organizations to provide tourists with detailed accounts of Nez Perce history and the story of the Tribe's involvement with Lewis and Clark. This multi-functional facility would exhibit and showcase Nez Perce living history, customs, values, arts and regalia. The expected 14–28 million visitors to the region would greatly benefit from this facility.

The Nez Perce Tribe has much to offer in history, but with no interpretative center it is literally impossible to inform and educate the general public about Nez Perce history and the role of the Tribe in the Lewis and Clark Expedition. The Tribe has been identified as an integral part of the Bicentennial celebration by the State of Idaho, U.S. Forest Service, National Park Service, and the National Lewis and Cark Council.

The Nez Perce Tribe requests that Congress designate $5,000,000 in the fiscal year 2002 Interior appropriations bill through the BIA to ensure that the Tribe is able to play an active role in the economic growth of northern Idaho and provide

tourists with a fascinating and informative look into the history of the Nez Perce people.

CITY OF LAPWAI WATER AND SEWER PROJECT FUNDING: IHS, $2,402,000

The City of Lapwai Water and Sewer system is in dire need of an upgrade to protect the health and safety of the Reservation community. Under the current system, no new homes or businesses, including a proposed Boy's and Girl's Club, can be constructed. The current system is in poor condition with debris, cracked pipes, and outdated equipment. The well system is outdated and the lagoon system for wastewater is at or very near capacity.

To date, the Indian Health Service has recognized the need for improvements in the system and has provided engineering services to upgrade the water and sewer system to help meet the needs of the community. A block grant has already been obtained though the Department of Housing and Urban Development to facilitate the project. A Utility Code has been developed which clearly outlines the operating responsibilities between the Nez Perce Tribe, BIA, and the City of Lapwai in preparation of the transfer of ownership of the system to the Nez Perce Tribe from the Bureau of Indian Affairs.

The Nez Perce Tribe requests that Congress designate $2,402,000 in fiscal year 2002 Indian Health Service appropriations to complete the chosen alternative to upgrade the water and sewer system. An adequate system would relieve the dire health threat created by the antiquated system of pipes and wells.

LAPWAI AMBULATORY HEALTH CENTER FUNDING: IHS, $3,000,000

The Nez Perce Tribe has an eligible health care population of over 3,800 which must be cared for in a facility constructed in 1971 by the Indian Health Service as a health station and for office space. The current care facility is grossly undersized to meet the health cares needs of the community. This problem is exacerbated by a 67 percent increase in patient visits over the past three years.

The current undersized health care facility has one quarter of the requisite space that is needed to ensure adequate access to health care services. Health care delivery systems are impeded by the limited space for staff, patients, equipment, and supplies and the existing design is does not allow for expansion for outpatient health care services. The current facility cannot comply with the Americans for Disabilities Act, contains traces of radon in the basement, and does not meet accreditation standards. As a result, health care programs operated by the Tribe are housed in various remote facilities throughout the Reservation further limiting access to health care. Considering that Native Americans suffer from significantly poorer health than other citizens, this disparity is only heightened by the Tribe's current inability to fully meet the health care needs of the community.

The Nez Perce Tribe requests that Congress earmark $3,000,000 in fiscal year 2002 Indian Health Service appropriations for the construction of a the Lapwai Ambulatory Health Center which will provide the desperately needed in-patient and out-patient care in one location to provide access to quality health care for members of the community.

SUPPORT FOR FULL FUNDING OF THE INTERIOR BUDGET FOR FISCAL YEAR 2002

The Nez Perce Tribe is deeply concerned that the fiscal year 2002 Department of the Interior Budget request proposes a four percent decrease in funding from fiscal year 2001, especially since the Department is seeing five percent annual growth.

While the Tribe is encouraged by statements from the Secretary of the Interior and the Bush Administration that Native American programs under the Bureau of Indian Affairs will continue to receive full and adequate funding, the primary goals of the Department must remain fulfilling the Federal government's trust responsibility to the Tribes.

In addition, we strongly support the Bush Administration's designation of $292 million for Indian school improvements, but more must be done to financially ensure the education of our children.

Thank you for your consideration of the Nez Perce Tribe's appropriation requests for fiscal year 2002.

PREPARED STATEMENT OF THE CHIPPEWA CREE TRIBE OF ROCKY BOY'S INDIAN RESERVATION

INTRODUCTION

Chairman Burns and distinguished members of the Subcommittee. Thank you for your review and consideration of this testimony regarding the President's Budget Request for the fiscal year 2002 for the Bureau of Indian Affairs and Indian Health Service. I am quite concerned how this proposed budget addresses the needs of the Chippewa Cree Tribe. My name is Alvin Windy Boy, and I am Chairman of the Chippewa Cree Tribe of Rocky Boy's Indian Reservation of Montana and Chairman of the Chippewa Cree Health Board. We are one of the seven federally recognized tribes from the Rocky Mountain Regional Office, formerly the Billings Area Office, which includes the states of Montana and Wyoming.

HEALTH CARE

The burden of disparity between health care needs and funding available is significant especially for remote and rural tribes such as ours. I respectfully request that the Subcommittee and the Congress recognize the federal court decision in *White* v. *Califano*, 437 F.Supp. 543 (DPF 1977), aff'd 581 F2d 697 (1978) stating that "health care for Indian people is not a racial issue, nor is it a financial issue; it is a legal and historical obligation based on treaty, law, and the trust responsibility which the federal government forcibly assumed over Indian nations . . ." Moreover, this disparity between health status and funding for health care is well documented. The Health Care Financing Administration (HCFA), DHHS, and the Indian Health Service have substantiated a huge inequity in per capita expenditures in health care for Indian people, particularly when compared with other groups for whom the United States has commitments. This incongruity is graphically demonstrated over the past eight years, with the Indian Health Service receiving less than $1,500 per capita, while Medicaid and the Bureau of Prisons received over $3,000 per capita, and the Veteran's Administration (VA) received over $5,000 per capita. It is no wonder that Indian people are at the bottom of every health scale.

During a historical meeting of Tribal Leaders and President Clinton, tribes were encouraged to submit demonstration projects addressing the disparities that exist in Indian Country. The Chippewa Cree Tribe responded to this challenge and requests your support to fund a demonstration project that would allow the Tribe to achieve parity in funding and close the gap of disparity in heath care status. Offered by Senator Conard Burns, as part of the fiscal year 2000 Senate Labor, HHS and Education Appropriations Bill, the Rocky Boy's Disparity Project did not receive appropriations, but did receive strong support from numerous members of the House, Senate, and the Administration. This project will demonstrate the goal for all Indian nations to achieve and validate that there is a strong linkage in heath status and parity in funding. Your support for inclusion of this demonstration project as a valuable demonstrative effort will most certainly effect a decrease in years of productive lives lost for tribal members and provide for healthier communities. As we struggle to provide adequate health care, the appropriation for contract health services remains flat. We struggle to improve and enhance community health nursing knowing that the funding and services we provide only meet 50 percent of the need, much of the increase in funds is "earmarked" elsewhere and tribes must compete against each other to address the monumental needs that arise throughout the year. As we struggle to address the unmet dental needs, the increases appropriated from Congress again become "earmarked" and tribes must compete rather than receiving a formula funded increase. This list goes on to include pharmacy, public health nursing, and injury prevention.

The alarming incidence and prevalence of diabetes in Indian Country prompted the Administration and the Congress to allow for direct service for diabetes prevention for all tribes nationwide, a first for our tribe. However, more and more funding is seemingly directed toward research, technical assistance, and training and no funds are available for direct services. Such is the case for diabetes, but this Presidential Initiative is limited to 5 years and will end in September of 2004. Your continued support is needed to assure that a continuum of care for diabetes and diabetes prevention continues.

TRIBAL PRIORITY ALLOCATIONS

As the Nation is enjoying prosperity and an unemployment rate of 5 percent, the Chippewa Cree Tribe's unemployment rate remains at an alarming rate of 75 percent. It is evident that Indian Country is being bypassed by this economic boom.

In fact, many of our families (approximately 400) must depend on General Assistance, Low Income Energy programs, and food distribution programs to survive. The basic needs of the Chippewa Cree people cannot be addressed without a substantial increase to the Tribal Priority Allocation (TPA) within the Bureau of Indian Affairs and the levels in the President's proposed budget are wholly inadequate from that perspective. As the only Self-Governance tribe in the Rocky Mountain Regional Office, our experience has been that TPA is the only dependable recurring federal resource within the BIA budget available to my tribe for program re-design and for which funds can be allocated to try to address local tribal needs. These dollars are the core of the Tribal Self Determination policy, because they allow our tribal government to set our own priorities for spending on programs and services.

An analysis of our programs has shown that there remains a tremendous level of unmet need for essential tribal governmental and programmatic services for the Chippewa Cree. For an example, the BIA Budget for law enforcement last year, the compacting and contracting tribes only received ½ FTE for patrolmen with the remaining allocated to BIA programs. The BIA's response was that the tribes were eligible for Department of Justice programs without factoring in that tribes must retain any new officer funded under the Community Oriented Policing Services Officers (COPS) for one funding cycle with our own funds. This has challenged tribes to fulfill our obligations to the Department of Justice and not let other programs suffer the consequences of funding shortfalls. We support any increase in funding for law enforcement, however the Presidents fiscal year 2002 Budget increases law enforcement funding by only $12,000 from fiscal year 2001. The tribe would like to see the restoration of law enforcement within the TPA base. Removing programs from the TPA is inconsistent with the federal policy of self-determination and self-government and tribal government authority in determining funding priorities. We would also like to request TPA funds be exempt from internal transfers, that the BIA refers to as "uncontrollable changes," and which they take away from us, instead of requesting of the Congress. These requests further dilute the funding that is badly needed at the tribal level. The total unmet needs for the Chippewa Cree Tribe for TPA programs is $15 million dollars.

WATER SETTLEMENT

On December 9, 1990, the Rocky Boy's water rights settlement bill was signed into law by the President on December 9, 1999, and become Public Law No. 106–163. The Act is the culmination of 17 years of work by the Chippewa Cree Tribe seeking a fair settlement of the Tribe's water rights claims in Montana.

The Native American Rights Fund (NARF) has represented the Tribe in the settlement of its water rights claims since 1987. NARF will continue to represent the Tribe in obtaining a state water court decree approving the settlement and dismissing the Tribe's claims. This process is expected to take about two years from February 15, 2000, when the motion requesting a final decree was filed with the state water court. This process will include such activities as preparation of responses to any objections that may be filed to the settlement, and the drafting of the various documents required to obtain a final decree. Under the act ratifying the settlement, until the state water court issues a final decree, the tribe can invest settlement appropriations but not expend them. The tribe will require some technical and legal assistance in the effort to obtain a final decree from the water court. The United States and the Tribe must also file a motion dismissing the Tribe's water claims which are now stayed in federal court.

The Tribe anticipates the need for the following amounts to assist the Tribes in these efforts: $51,750 for the Native American Rights Fund for legal oversight; $100,000 for the Tribe for the engineering consultants; and $110,000 for the Tribe for administration of efforts to finalize the water rights settlement pursuant to Public Law 106–163.

In addition, Public Law 106–163 authorizes an fiscal year 2002 appropriation of $8 million to the BIA for the Tribe for future water supply facilities. This is contained in the Administration's request.

In summary, the Chippewa Cree Tribe requests Congress to appropriate the total amount of $8,261,750 to enable the Tribe to continue the work necessary to finalize its water rights settlement, and to fulfill the commitments of the United States embodied in Public Law 106–163—the Act ratifying the Tribe's water rights settlement.

CONTRACT SUPPORT

Of the overall TPA request, $130.2 million goes to contract support, which falls 12 percent short of the total identified need. Because the Chippewa Cree tribe is

a self-governance tribe, we have compacted through our self-governance compact all of the federal functions which were previously administered by the BIA on our reservation. This means we have administrative costs associated carrying out these compacted functions which the United States would otherwise be required to provide directly. Typically in a given year the tribe is funded around 60–80 percent of the total need for contract support funds, meaning that the tribe is paying from 20–40 percent of the contract support costs from other program funds or from our tribal general fund. The tribe cannot afford to keep paying for the contract support costs associated with our self-governance compact federal functions and other grants and contracts administered by the tribe. No other contractor with the United States is treated this way. The tribe is requesting 100 percent funding for contract support and/or indirect costs, the same as all other contractors. This is only right since we are providing the administrative services associated with carrying out the federal functions on the reservation.

EDUCATIONAL OPPORTUNITIES CONSTRUCTION AND REPAIR

The Chippewa Cree tribally chartered Stone Child College is in a state of disrepair. There are leaks in the roof, natural springs under the main office and general maintenance problems arising daily. There is a shortage of classrooms and offices. Our students are presently staying in homes with at least three families living together, resulting in overcrowded homes and sickness due to overcrowding.. We need to have housing on campus. This would eliminate the absenteeism that our college is currently experiencing. We have secured $1 million but we have an additional need of $5,250,000.

Our elders have asked for an archive for the storage and display of important cultural papers, objects, etc. At the present there is no archival facility on the reservation. If we don't take care of these materials, they will be lost forever, as has already happened to many important medicinal and sacred items. We estimate start-up costs for these efforts at $250,000.

EMPOWERING COMMUNITIES, EXPANDING NEW MARKETS AND DIGITAL DIVIDE INITIATIVE

Our Housing Improvement Program (HIP) received approximately 115 requests for funding from applicants for fiscal year 2001, and will be getting an influx this year of over 255 older homes made during the 1970s. All of these homes have health hazards such as substandard plumbing which is lead based, substandard wiring, and furnaces that have run their cycle and need new parts or replacement. These older homes will put an extreme burden on the HIP programs annual funding base, which is why the program is requesting an additional $260,000 to meet this demand.

Mr. Chairman, thank you for the opportunity to present my views on the budget of the Bureau of Indian Affairs and Indian Health Service and the needs of the Chippewa Cree Tribe of the Rocky Boy's Reservation.

PREPARED STATEMENT OF THE RED LAKE BAND OF CHIPPEWA INDIANS

Mr. Chairman, I thank you and the other distinguished members of the Committee for this opportunity to provide testimony on behalf of the Red Lake Band of Chippewa Indians. On behalf of the people of Red Lake, who reside on our reservation in northern Minnesota, we respectfully submit that the budget appropriation process represents for us the major avenue through which the United States government fulfills its trust responsibility and honors its obligations to Indian tribes. We must depend on you to uphold the trust responsibility which forms the basis of the government to government relationship between our tribe and the federal government. The Red Lake Band of Chippewa Indians requests $10.4 million in additional fiscal year 2002 funding for Red Lake's programs.

Red Lake is a relatively large tribe with 9,300 members. Our 840,000 acre reservation is held in trust for the tribe by the United States. While it has been diminished in size, our reservation has never been broken apart or allotted to individuals. Nor has our reservation been subjected to the criminal or civil jurisdiction of the State of Minnesota. Consequently, we have a large land area over which we exercise full governmental authority and control, in conjunction with the United States.

At the same time, due in part to our location far from centers of population and commerce, we have few jobs available on our reservation. While the unemployment rate in Minnesota is only 3 percent, ours remains at an outrageously high level of 60 percent. The lack of good roads, communications, and other necessary infrastructure continues to hold back economic development and job opportunities.

The President's fiscal year 2002 budget request for Indian programs falls far short of what tribes need. The following testimony highlights the most critical needs of the Red Lake Band of Chippewa Indians in fiscal year 2002.

TRIBAL PRIORITY ALLOCATIONS (TPA)

The TPA is the principal means for us to provide vital governmental services to our people, including law enforcement, justice, fire protection, education, social services, and resource management. We have struggled hard to maintain these services, especially since the crippling, nearly $100 million cut in the TPA in fiscal year 1996. The sad fact is the TPA has not kept pace with inflation, and today is less than it was 10 years ago.

The President's fiscal year 2002 request for the TPA is $750.5 million, an increase of $17.5 million (2.38 percent) over fiscal year 2001. The net increase for tribes after removing Indian Self-Determination funds for new contracts, uncontrollable costs, and internal transfers is only a targeted $7 million—less than 1 percent. This is unacceptable. The TPA is the most important component of the BIA's budget, both in terms of size (42 percent) and what it does. The President has opined that a 4 percent budget increase is "compassionate". This makes his request for the most important BIA program "heartless".

Red Lake's present unmet TPA need is $8.8 million, larger than the entire net increase requested by the President for all tribes. Of that amount, $3.9 million is needed to provide just the most critical core functions, such as law enforcement, fire protection, courts, social services, education, housing improvement, and roads maintenance. This need will be documented in our 2000 annual report to the Office of Self-Governance (OSG), which will be made available to the Congress. Because the need to provide these basic services is so critical, I ask the Committee for a specific earmark of $3.9 million for Red Lake in fiscal year 2002. I also urge you to increase the President's request for contract support to 100 percent of total need as authorized under the Indian Self-Determination and Education Assistance Act, rather than the 88 percent requested. Tribes like Red Lake, with an indirect cost rate of 14.3 percent (far below the national average), need these funds to operate their programs.

LAW ENFORCEMENT AND JUSTICE

As stated in my testimony to you last year, Red Lake's top priority is to acquire funding to complete the new Red Lake Criminal Justice Complex. When completed, this complex will be home to our law enforcement, courts, adult and juvenile detention, and juvenile residential components.

Last year we received an $8.8 million grant from the Department of Justice (DOJ) to construct the detention facilities portion of the project. Construction is about to begin and is targeted for completion during fiscal year 2002. Rules governing our DOJ grant do not allow these funds to be used for construction of the law enforcement and courts portion. As a result, the detention portions of our criminal justice system stand to be located 1.5 miles away from the law enforcement and court components. This will create operational problems from the start, and will result in significantly higher costs to staff and maintain two separate facilities. To solve this dilemma, our congressional representatives have requested $3 million under the Economic Development Initiative (EDI) account of the 2002 VA–HUD appropriations bill. Although the President has slated this program for elimination in fiscal year 2002, we will continue to pursue this avenue of funding as the budget process unfolds. Because of the urgent need to complete this facility and the apparent jeopardy of the VA–HUD EDI account, I ask the Committee to consider a specific earmark to Red Lake in the amount of $3 million. This will allow us to complete all components of the criminal justice complex and avoid the significantly higher costs required to adequately staff and maintain two separate facilities.

I am very pleased to see the President's fiscal year 2002 BIA budget includes $5 million for detention operations associated with new facilities recently funded by DOJ. Red Lake has determined its need for new detention facility operations to be $3.19 million in fiscal year 2002, which will be documented in our 2000 annual report to the OSG. Because our new facility is expected to begin operation during fiscal year 2002, I ask the Committee to target $1.6 million of the President's requested $5 million to Red Lake. This is necessary to ensure uninterrupted operation of the tribe's law enforcement services.

ECONOMIC DEVELOPMENT AND WELFARE REFORM

The lack of economic development at Red Lake has set the stage for a head-on collision with welfare reform. We are working feverishly with federal, state, and

local agencies in the welfare to work initiative. Promoting economic growth at Red Lake has been difficult. We, like other tribes across the country, have been hindered by factors such as: remote location; high poverty rates and low health status; discrimination in non-tribal education and workplace settings; and, lack of support for infrastructure development. States have had federal-supported welfare administrative systems and programs for decades, and have been able to develop the infrastructure necessary to cope with the effects of welfare reform. We cannot be expected to succeed without similar assistance.

Cuts to BIA's GA program in fiscal year 1996 hindered our ability to provide critical child welfare services and general and elderly assistance. These services are essential to our ability to implement welfare reform. As I speak, there are about 400 single, employable adults at Red Lake who cannot find work and receive no assistance due to reduced BIA funding. The number of cases is increasing, as our members who live in places like Minneapolis return to the reservation as a safety net.

The President's fiscal year 2002 request of $89.9 million represents yet another major decrease in this critical program. I ask the Committee to increase this amount by at least $25 million, so that we will not have to sharply increase the number of denials for assistance.

HEALTH SERVICES

The President's fiscal year 2002 IHS request of $3.3 billion is an increase of $107 million over fiscal year 2001. Of this amount, $50 million is for the Navajo Health Services transition to tribal control. The net increase for all other tribes is an unacceptable 1 percent. As you know, there is a crisis in Indian health care, resulting in part from a lack of funding for mandatory increases like inflation, pay costs, staff for new facilities, and population growth. IHS funded programs must absorb these costs, resulting in a net decrease in health care to Indian people of $2 billion in the last 8 years. Health care expenditures for Indian people are well below 50 percent of the per capita health care expenditure for mainstream America, and, as you know, our gloomy health statistics reflect this.

Throughout 2000 the IHS worked with tribes in developing its fiscal year 2002 budget. As a result, it was determined by the National Indian Health Board, the Tribal Self-Governance Advisory Committee, and the National Council on Urban Indian Health that the fiscal year 2002 IHS budget should be $18 billion, but no less than $3.2 billion in appropriations to begin to address the health care needs of Indian people on a basis comparable to the rest of America. The problem with the President's budget is that it includes an estimated $499 million in health insurance reimbursements, and with the Navajo transition of $50 million, results in an adjusted request of only $2.75 billion. With the very lives of our people at stake, a real increase of $3.2 billion is the minimum amount needed to begin addressing the shortage in Indian health care, and I ask the Committee to provide an additional $550 million above the President's request in order to accomplish this.

The President's fiscal year 2002 budget includes a $40 million increase in contract support, all for the Navajo transition. This leaves an estimated need of $175 million, which tribes must absorb, further reducing health care services. I ask the Committee to fully fund contract support costs in fiscal year 2002.

The President's fiscal year 2002 budget provides $100 million for diabetes funding, the same as last year. These funds are a good investment, and will result in future program savings by increasing the health of our people. I also ask Congress to extend diabetes funding for the full 10 year authority allowed by the Balanced Budget Act of 1997.

OTHER ISSUES

The Red Lake Band asks that you eliminate or substantially amend 25 U.S.C. 450e-2, a permanent provision enacted as Section 310 of the Fiscal Year 1998 Interior Appropriations Act (Public Law 105–83, Nov. 14, 1997). Section 310 has been used against tribes like Red Lake to undermine our efforts to cut costs and finish BIA-funded construction projects under budget. The BIA has used the broad language of Section 310 to threaten to take away from our reservation and apply elsewhere all savings that we accrue from our careful and efficient management of our construction projects. We want our tribal construction staff to seek ways to get the most bang from each buck, and if savings result from our internal efficiencies, then we want those savings applied to unmet construction needs on our reservation without any obstacles posed by paternalistic BIA bureaucrats. The BIA's use of Section 310 discourages us from seeking out cost savings procedures, because we will lose the money saved and with it the jobs that are so critical to the people on our reservation with its unemployment rate of 60 percent. For example, if Red Lake re-

ceives $100,000 for a 10 mile road extension project, and due to our efficient tribal construction staff, are able to do the 10 miles for $90,000, we want to be able to construct an extra mile with the remaining $10,000 in savings. Our communities get a good road a little closer to their homes. Our tribal construction workers earn a couple more paychecks. And our tribe takes an extra chip out of our huge unmet need. We believe Section 310 was mostly borne out of congressional frustration with the huge backlog of need reflected in the school facility construction priority list in the mid-1990s. Perhaps its application to school construction remains appropriate, because once a tribe has constructed its school, it can be argued that all remaining funds should go to the next school site on the priority wait list. But with respect to all other construction activity funded through the BIA, and particularly with respect to roads construction projects, each reservation typically has multiple (smaller) projects awaiting funding, or their projects, like the length of the road in our example, are constrained by limited funds and would benefit greatly from our ability to apply cost savings to enlarge or extend the project within the overall original purpose. For years, Red Lake has assumed all program operations associated with our reservation road construction activity, from initial design to building of the road. We try hard to get the most out of each scarce federal dollar, striving to find efficiencies that will bring our projects in under budget so that we can devote those "savings" to grading or paving more roads, building more sidewalks, and implementing more safety measures. BIA's interpretation of Section 310 is punishing our tribe for being efficient. We ask that you either remove it or add language to 25 U.S.C. 450e–2, which would limit its application to funds associated with the school facility construction priority list maintained by BIA.

Although sufficient detail is not yet available on the President's fiscal year 2002 budget for the Housing Improvement Program (HIP), it appears there will actually be a decrease over fiscal year 2001. Housing is one of the most basic needs of every American. Past funding for HIP has been terribly inadequate. For example, Red Lake recently submitted its 2000 Work Plan Report to the BIA documenting 10 substandard housing units, for which the BIA is responsible to fund at a level of 90 percent. This report also documented a need for 226 new housing units, for which the BIA is responsible to fund at a level of 10 percent. The total need documented for just BIA's share of housing repair and new housing at Red Lake is $1.9 million. I ask the Committee for a specific earmark for this amount in fiscal year 2002.

I was pleased to see the President include the new $10 million initiative for tribes in his Flexible Land and Water Conservation Fund Program for fiscal year 2002. Red Lake and tribes across the country expended immense effort last year to obtain equitable access to the Conservation and Reinvestment Act (CARA). As you know, CARA was not enacted last year, but was diluted into a "CARA-Lite" that funded fewer activities with fewer dollars over less time. No stakeholder was more adversely affected by this dilution than Indian tribes, who lost every single provision that had benefited them in the original legislation. It is critical therefore, that the $10 million tribal portion be retained, along with the flexibility specified by the President for this program. I also ask that you include language directing a federal/tribal team be composed to develop the tribal competitive grant program to distribute these funds, which should include tribes, the BIA, and the National Park Service.

Thank you for allowing me to present, for the record, some of the most immediate needs of the Red Lake Band of Chippewa Indians in fiscal year 2002, and for your consideration of these needs. At your request, I would be pleased to provide additional information regarding these needs.

PREPARED STATEMENT OF THE SQUAXIN ISLAND TRIBE

On behalf of the Squaxin Island Tribe, I submit this written statement of appropriations requests on the fiscal year 2002 Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) budgets. The following concerns and recommendations of the Squaxin Island Tribe are common, not only to us, but to Tribes both in our region and throughout the Nation.

TRIBAL SPECIFIC REQUEST

Support for $97,500 for the Squaxin Island Shellfish Management.

REGIONAL REQUESTS

Support for the $6.8 million western Washington tribal shellfish management, and enforcement funding request to implement tribal treaty rights through the further establishment of tribal shellfish programs;

Continued support of the existing $3.0 million Bureau of Indian Affairs, Forest Development, Woodland Management, Northwest Forest Plan, "Jobs in the Woods" Initiative line item and from this amount a continued earmarking of $400,000 for the Wild Stock Restoration Initiative;

Support the base funding level of $3.048 million for the Timber-Fish-Wildlife Agreement, and increase this amount by $1.0 million to implement tribal obligations under new state and private forest practices, rules and regulations pertaining to ESA obligations;

Support, at a minimum, existing funding levels within the Bureau for Trust;

Responsibility, Tribal Priority Allocation, and Self Governance that pertain to Fisheries Management and U.S.-Canada Pacific Salmon Treaty at fiscal year 2001 levels;

Provision of Contract Support Funding at 100 percent levels necessary for existing and emerging programs $300,000 for the Point no Point Wildlife Program; and,

Support all requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

SELF-GOVERNANCE AND OTHER NATIONAL REQUESTS

Restore $256,000 and request for a $100,000 increase to the DOI Office of Self-Governance for the Self-Governance Communication and Education Project and the Tribal Self-Governance Advisory Committee;

Provide increase for BIA and IHS to fully fund Contract Support Cost (CSC) to address documented Tribal needs;

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;

Provide $325,000,000 increase for IHS unfunded mandatory, medical inflation, pay costs and population growth needed to maintain existing health care services;

+$5 million in the IHS Division of Clinical and Preventive Services to support Oral Health Initiative; and

Support all requests and recommendations of the National Congress of American Indians.

NARRATIVE SUMMARY OF REQUESTS

Tribal specific

Support $97,500 for the Squaxin Island Shellfish Management. The Squaxin Island Tribe was a plaintiff in the court case which reaffirmed the Treaty rights of the Tribes in Washington State to harvest 50 percent of the shellfish product, and to act as co-managers of the shellfish resources. This involves management of both inter-tidal and sub-tidal species of shellfish.

Over the past few years, we have been expanding our management of this very important resource to the Squaxin Island Tribe. Currently we manage the resource for about 150 Tribal harvesters who harvest shellfish for subsistence and commerce as has been the case since the Treaty was signed in 1854. To date our expanded enhancement and management efforts have been directly funded by Tribal dollars.

Once again, the appellate court has upheld the District Court's decision, and strengthened the tribal claims. Our experience has shown that in order to be an effective co-manager of this resource, we need to be able to participate in management, enhancement, and enforcement activities. As managers of this resource, we will need to continue to expand our management capacity. This will involve specialized training and equipment for our harvesters, our management staff, and our enforcement staff.

Regional

$6.8 million for Tribal Shellfish Management, Enhancement and Enforcement funding to implement Tribal treaty rights through the establishment of base shellfish operations.—Additional funding to tribal programs are necessary to address these needs. Western Washington tribes request an additional $1,950,000 be added to tribal fisheries management contracts as permanent base funding. This would cover only the basic level of management and enforcement needs.

$3.0 million BIA, Forest Development, Woodland Management, Northwest Forest Plan, "Jobs in the Woods" initiative and from this amount a designation of $400,000

for the Wild Stock Restoration initiative.—We support the BIA request of $3 million for the Northwest Forest Development Plan, "Jobs in the Woods" Initiative and the designation of $400,000 for the Tribal-State of Washington Wild Stock Restoration Initiative (WSRI). WSRI is essential to developing a habitat inventory base from which restorations projects can begin. This work will extend the effectiveness of the limited funds for restoration by providing an effective tool for prioritization and design of projects.

$3.048 million for the Timber-Fish-Wildlife Agreement to implement tribal obligations under new state and private forest practices rules and regulations pertaining to ESA obligations.—This amount is needed to allow tribes to effectively participate in monitoring and adaptive management processes that are integral to the TFW process.

Support the development of a displaced fishers "Jobs-in-the-Woods" program and a gear and vessel subsidized payment account.—Such a program would provide meaningful work and a liveable wage for tribal members who are adversely impacted due to low fish populations. Such a program coupled with a program which provides support to fishers for gear and vessel payments during low fish harvests will prevent disastrous foreclosures and economic conditions for tribal fishers and related businesses.

SELF-GOVERNANCE AND OTHER NATIONAL ISSUES

Restore $256,000 and Provide $100,000 Increase to Self-Governance Office in order to fund the on-going Self-Governance Communication and Education Project (SGCEP) and for the continuance of the Tribal Leaders Self-Governance Advisory Committee. There are now over 200 Tribes implementing Self-Governance and the request for information regarding this initiative continues to increase. The SGCEP is vital to ensure that Self-Governance and its purposes are clearly understood and consistently developed by participating Tribal governments, federal agency officials and non-participating Tribes. The funding for this Project has never been increased and is now inadequate to keep up with information request. We respectfully request that this funding not only be restored, but increased to meet the real cost of providing these communication services. In addition, funding must also be restored for the Tribal Leaders Self-Governance Advisory Committee. This Committee provides advice and guidance to the Assistant Secretary Indian Affairs on key policy issues that impact Self-Governance Tribes and has proven to be a effective forum for Tribal leaders to debate and discuss these issues.

Increase BIA and IHS Contract Support Cost (CSC) Funds to address documented need. CSC funds are required for Tribes to successfully manage their own programs. While the Administration's budget request for fiscal year 2002 includes a modest increase for CSC—(1) an additional $65 million is needed in IHS (excluding the $40 million that has been estimated, but negotiated for the new Navajo Nation contract proposal); and (2) an additional $25 million is needed in BIA to fully fund CSC (excluding direct contract support costs). This shortfall continues to penalize Tribes which elect to operate BIA and IHS programs under the self-determination policy. Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress. We urge the Subcommittee to fully fund CSC for Tribes equal to how other contractors are funded within the federal government.

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustments. Although the Administration's budget request for fiscal year 2002 includes a $17.5 million increase over fiscal year 2001, this is the third year in a row that the request contains no general increase for TPA. This activity includes the majority of the funds used to support on-going services at the local Tribal level including such programs as housing, education, natural resource management and Tribal government services. A recent Congressional Research Service (CRS) Report on Indian-related federal spending trends for fiscal years 1975–2000 states increases in the combined BIA/Office of Special Trustee "current" dollars averaged $46 million per year. But as "constant" dollars (adjusted for inflation), there has actually been a decline of approximately $6 million per year. Over this 25-year period, the total is $150 million! At a minimum, the requested amount will provide for a modest 3.5 percent inflation adjustment for existing Tribal programs and services. We further recommend that TPA be revised and possibly renamed "Tribal Family & Community Services" to better reflect the true nature and intent of these programs. We believe that this title will help the Congress better understand the use of these resources.

Provide $325 million for IHS mandatory, inflation and population growth increase needed to maintain existing health care services. In fiscal year 2000, IHS and Tribal

programs had to absorb over 50 percent of mandatory and inflationary cost increases; in fiscal year 1999, 50 percent was absorbed; and, in fiscal year 1998, 70 percent was absorbed. This has been the pattern for the past 8 years. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently constructed facilities. Mandatories should be the first consideration in budget formulation. If unfunded, these cost increases will result in further health service reductions in our Tribal communities.

+$5 million in the IHS Division of Clinical and Preventive Services to support the Tribal Leaders Oral Health Initiative. This initiative seeks to improve oral health status and increase access to oral health services for Indian people. Indian people experience dental disease at rates 2 to 10 times the national average and Tribes currently have great difficulty recruiting dental staff with 25 percent of dentist positions currently vacant. $5 million will permit the tribes to increase their recruitment activities, improve availability of community water fluoridation, and collaborate more effectively with the IHS and other partners to curb the epidemic of oral disease that confronts Indian people.

The Committee's support for our requests is much appreciated and on behalf of the Squaxin Island people, I thank you for your continued efforts.

PREPARED STATEMENT OF THE JAMESTOWN S'KLALLAM TRIBE

This testimony is submitted by the Jamestown S'Klallam regarding our concerns and requests on the fiscal year 2002 Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) budgets. The following document presents the Jamestown S'Klallam Tribe's funding priorities, as well as other regional and national concerns and recommendations for your consideration.

OVERALL RECOMMENDATION

The Jamestown S'Klallam Tribe strongly recommends that the Subcommittee not consider any provisions or legislative riders which undermine Tribal sovereignty and our ability to advance our governmental capacity based on long-standing Federal/Tribal relations and Federal Indian law and policy. We further recommend that you not consider any provisions which limit Tribal governmental discretion to re-design programs and reallocate funding to meet local priorities and needs as authorized under the Indian Self-Determination and Education Assistance Act, as amended. This is consistent with the Bush Administration and Congress' devolution philosophies providing more authority to local units of government.

TRIBAL-SPECIFIC APPROPRIATION PRIORITIES

1. $534,000 one-time funding for construction of a dental clinic to serve our Tribal community;
2. $750,000 one-time funding for the purchase of two parcels of land, one adjacent to our existing reservation and one near our reservation; and
3. $35,000 increase in BIA Tribal base funding for unfunded Operations & Maintenance programs.

LOCAL/REGIONAL REQUESTS AND RECOMMENDATIONS

1. $300,000 for the Point No Point Treaty Council Wildlife Program; and
2. Support all requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

SELF-GOVERNANCE AND OTHER NATIONAL CONSIDERATIONS

1. Restore $256,000 and request for a $100,000 increase to the DOI Office of Self-Governance for the Self-Governance Communication and Education Project and the Tribal Self-Governance Advisory Committee;
2. Provide increase for BIA and IHS to fully fund Contract Support Cost (CSC) to address documented Tribal needs;
3. Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;
4. Provide $325,000,000 increase for IHS unfunded mandatory, medical inflation, pay costs and population growth needed to maintain existing health care services;
5. +$5 million in the IHS Division of Clinical and Preventive Services to support Oral Health Initiative; and
6. Support all requests and recommendations of the National Congress of American Indians.

TRIBAL-SPECIFIC APPROPRIATION PRIORITIES

Construction of a Community Dental Clinic—+$534,000

The Tribe has recognized a need to locally provide dental services to Tribal members. In this isolated rural community, dentists are unwilling to provide services to Medicaid patients because of the low rate of reimbursement for those services. Clallam County in general, and our Tribal community in particular, has a large percentage of people on Medicaid. We could serve these people at our own facilities. If we continue to rely on private dental service providers, we will not have any way to acquire services for our Medicaid-eligible Tribal members. The Tribe is proposing to construct a 3,300 square foot dental clinic with 4 chairs, offices, and laboratory facilities at our Tribal complex. Costs include specialized equipment and furnishings, parking and all construction costs and fees.

Establishment of Tribal Land Base—+$750,000

For the past 10 years, the Tribe has requested the Subcommittee's assistance in securing additional land to add to our existing reservation. This request remains unfunded and we again appeal to the Subcommittee for your consideration of funding for this land acquisition. In the 1870's, Tribal members rejected a relocation policy (urged on by white settlers) to move them from their historical lands to another Tribe's reservation. In 1981, the Jamestown S'Klallam Tribe achieved federal recognition. Since that time, we have been attempting to undo the effects of this injustice, which had devastating social, economic, and cultural impacts on the Tribe. We strongly believe the United States government has an obligation to assist the Tribe in correcting these negative impacts. One way this situation can be addressed is for the Congress to assist us in adding to our meager reservation land base; a base that would have been substantially larger had it not been for the 100-year wait for our recognition.

A contiguous four acre waterfront property site, on Sequim Bay (as is the Tribe's reservation) still remains available for purchase at approximately $450,000. In addition, there is a 15-acre site, near the reservation which is available to the Tribe at approximately $300,000. These land acquisitions would allow us to expand our Tribal government facilities to meet the steadily increasing demand for services by our Tribal members. Our Tribe is now at a critical juncture in this rapidly evolving situation. We need Congressional assistance to purchase the adjacent property which is essential for logical and efficient growth management of the Tribal operations. If the Tribe does not acquire the contiguous 4 acre tract and a third party purchases and develops it, we will obviously be blocked from any further practical expansion of our reservation base due to the geographic conditions of this area. In addition, the likelihood of a price escalation for this acreage continues to exist. The 10 acre site would be an excellent location for, among other things, a Tribal health and wellness clinic. It would also be a good site for the placement of future additions to the Tribe's water and wastewater infrastructure.

Increase in BIA Tribal Base Funding For Operations & Maintenance—+$35,000

Federal programs with jurisdiction over water and wastewater facilities and/or funding (EPA, IHS, HUD) require that a formal operations and maintenance program be adopted and implemented. These facilities require a certified operator employed by the tribe, ongoing monitoring and maintenance, and equipment reserves at an estimated annual cost of $35,000.

Operations and Maintenance programs are not funded by the agencies requiring them, nor are they eligible for funding under any program; thus, they are an unfunded mandate. If we are to meet the requirements for successful operation of our facilities, we must request an additional $35,000 annually.

LOCAL/REGIONAL REQUESTS AND RECOMMENDATIONS

The Wildlife Program has been funded since 1993 by a combination of grants. However, this source of funding is extremely precarious, and it is impossible to conduct long-term planning without a permanent source of program funding. We support funding for this crucial program in the amount of $300,000.

The Jamestown S'Klallam Tribe is a direct beneficiary of the collective Tribal efforts and continues to support the requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

SELF-GOVERNANCE AND OTHER NATIONAL CONSIDERATION

Restore $256,000 and Provide $100,000 Increase to Self-Governance Office in order to fund the on- going Self-Governance Communication and Education Project

(SGCEP) and for the continuance of the Tribal Leaders Self-Governance Advisory Committee. We are greatly alarmed over the Administration's proposal to eliminate critical funding for these Self-Governance activities. Over the past 10 years, the SGCEP has provided technical assistance and factual information about Self- Governance. There are now over 200 Tribes implementing Self-Governance and the request for information regarding this initiative continues to increase. The SGCEP is vital to ensure that Self-Governance and its purposes are clearly understood and consistently developed by participating Tribal governments, federal agency officials and non-participating Tribes. The funding for this Project has never been increased and is now inadequate to keep up with information request. We respectfully request that this funding not only be restored, but increased to meet the real cost of providing these communication services. Further, funding must also be restored for the Tribal Leaders Self-Governance Advisory Committee. This Committee provides advice and guidance to the Assistant Secretary Indian Affairs on key policy issues that impact Self-Governance Tribes and has proven to be a effective forum for Tribal leaders to debate and discuss these issues.

Increase BIA and IHS Contract Support Cost (CSC) Funds to address documented need. CSC funds are required for Tribes to successfully manage their own programs. While the Administration's budget request for fiscal year 2002 includes a modest increase for CSC—(1) an additional $65 million is needed in IHS (excluding the $40 million that has been estimated, but negotiated for the new Navajo Nation contract proposal); and (2) an additional $25 million is needed in BIA to fully fund CSC (excluding direct contract support costs). This shortfall continues to penalize Tribes which elect to operate BIA and IHS programs under the self-determination policy. Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress. We urge the Subcommittee to fully fund CSC for Tribes equal to how other contractors are funded within the federal government.

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustments. Although the Administration's budget request for fiscal year 2002 includes a $17.5 million increase over fiscal year 2001, this is the third year in a row that the request contains no general increase for TPA. This activity includes the majority of the funds used to support on-going services at the local Tribal level including such programs as housing, education, natural resource management and Tribal government services. A recent Congressional Research Service (CRS) Report on Indian-related federal spending trends for fiscal years 1975–2000 states increases in the combined BIA/Office of Special Trustee "current" dollars averaged $46 million per year. But as "constant" dollars (adjusted for inflation), there has actually been a decline of approximately $6 million per year. Over this 25-year period, the total is $150 million! At a minimum, the requested amount will provide for a modest 3.5 percent inflation adjustment for existing Tribal programs and services. We further recommend that TPA be revised and possibly renamed "Tribal Family & Community Services" to better reflect the true nature and intent of these programs. We believe that this title will help the Congress better understand the use of these resources.

Provide $325 million for IHS mandatory, inflation and population growth increase needed to maintain existing health care services. In fiscal year 2000, IHS and Tribal programs had to absorb over 50 percent of mandatory and inflationary cost increases; in fiscal year 1999, 50 percent was absorbed; and, in fiscal year 1998, 70 percent was absorbed. This has been the pattern for the past 8 years. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently constructed facilities. Mandatories should be the first consideration in budget formulation. If unfunded, these cost increases will result in further health service reductions in our Tribal communities.

+$5 million in the IHS Division of Clinical and Preventive Services to support the Tribal Leaders Oral Health Initiative. This initiative seeks to improve oral health status and increase access to oral health services for Indian people. Indian people experience dental disease at rates 2 to 10 times the national average and Tribes currently have great difficulty recruiting dental staff with 25 percent of dentist positions currently vacant. $5 million will permit the tribes to increase their recruitment activities, improve availability of community water fluoridation, and collaborate more effectively with the IHS and other partners to curb the epidemic of oral disease that confronts Indian people.

In conclusion, we strongly recommend increased funding levels within the BIA and IHS budgets for critically-needed existing programs. This funding is an obligation stemming from solemn commitments of the U.S. to Indian people to provide basic health, safety, education and economic security. We appreciate this Sub-

committee's continued support and urge that Tribal government operations be afforded the highest priority in your appropriation decisions.

Thank You.

PREPARED STATEMENT OF AMERICAN RIVERS

Many individual programs funded by the Interior Appropriations Subcommittee have substantial impacts on America's rivers. We urge that you bear these impacts in mind in determining levels of funding for these important government programs. We would like to highlight several funding needs that are of greatest interest in fiscal year 2002.

WILD AND SCENIC RIVERS

Wild and scenic rivers have been designated by Congress in recognition of the value of free-flowing rivers with scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values. Proper stewardship of the 163 designated wild and scenic rivers requires funding for the four federal agencies responsible for administering the Wild and Scenic River System: the Bureau of Land Management, U.S. Forest Service, National Park Service, and U.S. Fish and Wildlife Service. In fiscal year 2002, we urge the Subcommittee to provide $27 million for wild and scenic river management and to ensure that where appropriate, additional rivers can be added to the System.

Within the overall System, the National Park Service manages 34 wild and scenic rivers and is responsible for studying rivers in national parks and on non-public lands. We urge the subcommittee to support $9.1 million for the National Park Service Wild and Scenic Rivers Program. Of this total, $7.6 million is needed for wild and scenic rivers managed as units of the National Park System, and $1 million is needed for wild and scenic river studies authorized by Congress.

In addition, we would like to especially highlight the need for $1.5 million for management of seven partnership wild and scenic rivers. Partnership wild and scenic rivers are national resources that benefit from incredibly committed local conservation partners working to protect, manage, and enhance river resources. The number of partnership rivers that share a small amount of federal funding has grown from five to seven since last fiscal year, and the mileage has more than doubled. Federal funding not only ensures management plans are carried out with care and foresight, it also helps to leverage funding from state, local, and private sources. For example, on the Maurice River in New Jersey, federal funding of just $25,000 has been met by state and municipal sources of $1,626,500.

The Bureau of Land Management is responsible for managing 34 wild and scenic rivers and by law must complete studies on roughly 400 river segments for potential designation. The Bureau has shown commitment to protecting wild and scenic rivers and other conservation areas by creating a new program to protect these areas, which together make up the BLM's Landscape Conservation System. In fiscal year 2002, the BLM needs $3.5 million for wild and scenic river management, and $2.0 million for wild and scenic river studies on BLM lands.

The Forest Service manages the largest number of wild and scenic rivers—96 in all. Currently, the Forest Service budget does not include a line item for wild and scenic river management. In December of 2000, however, the Forest Service created a new staff unit dedicated to stewardship of wild and scenic rivers and other congressionally designated areas. To better protect these special areas, we urge the Subcommittee to support an appropriation of $8,640,000 for wild and scenic river management and $3.0 million to complete missing management plans for wild and scenic rivers, and to undertake wild and scenic river studies.

The Fish and Wildlife Service manages nine wild and scenic rivers and must study rivers on refuges for potential designation. We ask for $500,000 in appropriations for wild and scenic river studies that must be conducted on National Wildlife Refuges in fiscal year 2002.

RIVERS AND TRAILS CONSERVATION ASSISTANCE PROGRAM

The National Park Service's Rivers and Trails Conservation Assistance Program yields enormous conservation benefits nationwide by building partnerships between federal and local interests to revitalize communities and improve quality of life. Assistance from RTCA professionals is only given at the express request of a local community. RTCA not only builds local-federal partnerships, it also attracts substantial local funding. In one typical region, RTCA assistance in some 50 projects in the year 2000 attracted a total of $9.1 million dollars from other public and private sources.

That means for every dollar spent on RTCA, $7 dollars were invested in projects from other sources, making this program a great value for the American taxpayer. We urge the Subcommittee to support an appropriation of $12 million for RTCA to fill the growing number of community requests for assistance.

In 2000, RTCA's field based program participated in over 200 projects around the country, helping to develop more than 2,200 miles of trails, protect over 1,000 river miles and to preserve more than 270,000 acres of open space. However, America's cities and towns face difficult conservation challenges daily and more and more local communities are requesting technical assistance from the Park Service. As the Federal government seeks to enable communities to take their future into their own hands, it must enlarge those Federal programs that coach communities in much needed technical and institutional skills. By continuing to increase the base funding for Rivers and Trails to $12 million, the Subcommittee will ensure that RTCA serves every community that wishes to manage their recreational and natural resources.

IRRIGATION MITIGATION AND RESTORATION PARTNERSHIP

We urge you to appropriate $25 million for the Irrigation Mitigation and Restoration Partnership Program through the Department of Interior. Under this program, farmers and irrigation districts can obtain federal financial assistance to install fish screens and fish passage devices at irrigation diversions. This program is an important aspect of federal plans to recover salmon, steelhead, and other endangered fish throughout the Pacific Northwest. As you know, such recovery measures are necessary to ensure continued operations of the Federal Columbia River Power System without more stringent Endangered Species Act constraints.

HYDROPOWER LICENSING UNDER THE FEDERAL POWER ACT

We further urge the Subcommittee to appropriate adequate resources for the U.S. Forest Service and the Department of the Interior to address the increasing number of hydropower dams seeking renewal of their operating licenses from the Federal Energy Regulatory Commission. These agencies have core responsibilities under the Federal Power Act to make recommendations and set license conditions that will ensure conservation of natural resources upon issuance of hydropower licenses. With a large number of projects moving into beginning the relicensing cycle over the next few years and new commitments by the agencies to streamline their participation, but also provide new public review of agency conditions, these agencies have been stretched past the breaking point. Doubling their limited appropriations would help ensure a more efficient licensing process, benefiting the hydropower industry and furthering efforts to protect and restore environmental, recreational, and cultural resources.

SALT RIVER LAND ACQUISITION—MARK TWAIN NATIONAL WILDLIFE REFUGE

We strongly urge the Subcommittee to provide $4.5 million from the Land and Water Conservation Fund to acquire a major parcel, totaling 1,848 acres, for addition to the Mark Twain National Wildlife Refuge. The Mark Twain National Wildlife Refuge spans 343 river miles of Mississippi River bottoms between Muscatine, Iowa, and Gorham, Illinois. The refuge was established in 1958 to provide food, water, and protection for migrating and wintering waterfowl and other migratory birds.

The proposed acquisition—the Pike Grain tract—is located along the Salt River, approximately 1.5 miles above its confluence with the Mississippi River in Pike County, Missouri near the town of Louisiana. Located within the historic floodplain of the Mississippi River, it is the largest of several parcels identified as a proposed Salt River Division of the Annada District of the Mark Twain NWR.

In response to the record flood of 1993, conservation agencies (including the USFWS) have emphasized acquisition and restoration of floodplain habitat. The willingness of the Pike Grain tract landowner to sell these 1,848 acres to the USFWS provides a critical opportunity to restore a large tract of floodplain land that would significantly increase habitat diversity, improve water quality and restore floodplain hydrologic function. The acquisition area lies in the heart of the Mississippi Flyway along the Mississippi River, one of the most important migration corridors on the continent. Additionally, the reach of Mississippi River between Rock Island, Illinois and the confluence of the Ohio River is the most impacted and degraded portion of the Upper Mississippi River. Acquisition of the Salt River parcels has been identified as a top priority for acquisition by the U.S. Fish and Wildlife Service in Region 3 for fiscal year 2002. The Mark Twain Refuge ranked third in the nation on this year's Land Acquisition Priorities System (LAPS) list.

The Salt River (Pike Grain) tract would provide resource managers with a unique opportunity to reconnect the Mississippi to its floodplain With a restored connection between the Mississippi River and its historic floodplain, resource managers will restore floodplain land currently used for agriculture to healthy and functional fish and wildlife habitats, including 350–450 acres of moist-soil and emergent managed wetlands, 2100 acres of bottomland forest, including pin oak, swamp white oak, sycamore, maple and cottonwood trees, and 400–500 acres of grassland/wet prairie. These areas will offer habitat for several bird species of concern, including the American Bittern, Least Bittern, Bald Eagle, American Woodcock, Black tern, Sedge Wren, and several waterfowl species, potentially assisting the 40 percent of North American migratory birds that utilize the Mississippi River Flyway.

Taking floodplain lands out of agricultural production will have significant benefits to water quality in the Salt River as well as downstream to the Mississippi. Restored wetland vegetation would be a more effective filter of sediments from floodwaters, contributing to a reduction of sediment buildup in the Mississippi River main channel, side channels and backwaters downstream. Wetland vegetation more effectively and naturally recycles nutrients, reducing nutrient inputs to the Mississippi River and the Gulf of Mexico. Wetland complexes also provide natural storage of floodwaters, reducing the impacts of flooding downstream.

Protection of the Pike Grain tract would be a first major step in the development of a new division of the Mark Twain NWR. If successful, it would set the stage for further protection of critical floodplain lands in the proposed Salt River division. This project lies immediately adjacent to the Missouri Department of Conservation's 6600-acre Ted Shanks Conservation Area. Protection of this tract would enhance public access to natural areas and raise the profile of important restoration activities in the Mississippi River floodplain. Its location adjacent to State Highway 79, which is the Missouri portion of the Great River Road, indicates that pull-off of kiosks and interpretive panels would receive heavy use.

Funding must be obtained in fiscal year 2002 to purchase the Pike Grain tract. This parcel represents 56 percent of the proposed Salt River division, for which approval by the Land Protection Review Committee is anticipated prior to fiscal year 2002. The Pike Grain landowner has been patiently waiting for acquisition funding to be approved so that USFWS may purchase the land, but continues to receive pressure from other interests to sell the property. Unnecessary delay in making USFWS acquisition funds available may turn a potential windfall into an opportunity lost. We strongly urge the Subcommittee to provide $4.5 million from the Land and Water Conservation Fund to acquire a major parcel, totaling 1,848 acres, for addition to the Mark Twain National Wildlife Refuge.

PREPARED STATEMENT OF THE CENTRAL COUNCIL TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

On behalf of the Central Council of Tlingit and Haida Indian Tribes of Alaska (Central Council) I am pleased to submit this testimony on the fiscal year 2002 budget for the Interior Department's funding for the Indian Tribal Justice Act (Public Law 103–176) and Tribal Courts (under the Tribal Priority Allocations).

The Central Council is a federally recognized tribal government representing over 23,000 Tlingit and Haida members worldwide. The Central Council is a sovereign entity and has a government-to-government relationship with the United States. Its headquarters is located in Juneau, Alaska, but the Central Council's commitment to serving the Tlingit and Haida people extends throughout the United States.

Traditional Tlingit and Haida law has existed since time immemorial. The people of each of these distinct nations have always governed themselves in a sophisticated matriarchal cast system that contributed greatly to the preservation of the Tlingit and Haida culture. Although contact with other societies and the adoption of contemporary, "non-Indian" governing instruments have changed the way Tlingit and Haida people interact with one another, traditional aboriginal law has seen little change.

The Tlingit and Haida people follow the ancient laws of our people that are the foundation of our tribal sovereignty. Since time immemorial, our inherent sovereignty pervades our traditional villages and communities enhanced by our spiritual relationship to all the land and waters of Southeast Alaska. Our traditional ceremonies validate our identify and culture. We have specific protocols, including potlatches, in celebrating a birth, a marriage, giving a name, sharing of wealth, raising totems, commemorating special events and honoring a leader or the departed.

In addition, the Central Council has enacted an Administrative Code [Title 06, Chapter 01] that provides authority for its tribal court and its Council of Elders. The Code sets out a model legal system reflecting traditional authority and laws of the Tlingit and Haida communities. While the Central Council Tribal Court currently has three appointed tribal court judges, the Court has remained inactive because of the lack of funding.

Tribal courts are essential because they protect the health and welfare of our children and heal our families. A tribe's ability to care for its members in this way is a way for it to reclaim its traditional laws, values, and customs. It is also a means for the Tribe to maintain its unique identity and culture.

In order to provide a basis for tribal actions on behalf of tribal children in the Central Council Tribal Court, the Central Council enacted separate statutes under its Administrative Code regarding the federal Indian Child Welfare Act (ICWA) (25 U.S.C. sec. 1901 et seq.) and its use in proceedings in the Tribal Court.

INTERIOR DEPARTMENT FUNDING, INDIAN TRIBAL JUSTICE ACT AND TRIBAL COURTS

Full Funding for Indian Tribal Justice Act.—The Central Council strongly supports full funding for the Indian Tribal Justice Act (Public Law 103–176). This would amount to $58 million as determined as the amount needed by tribes in 1993 to be minimally operational.

Tribal Courts under the Tribal Priority Allocations.—The Central Council strongly supports increased funding for Tribal Courts under the Tribal Priority Allocations (TPA). While we support the Interior Department's fiscal year 2001 budget request of $12,585,000 (an increase of $1,537,000 over fiscal year 2000 level), this increase represents only a minimal first step towards meeting the vital needs of tribal justice systems.

The vast majority of tribal justice systems function in isolated rural communities. For example, in Southeast Alaska villages served by the Central Council are faced with the lack of or inadequate State law enforcement, the lack of an active tribal court system, great distance from existing resources, lack of detention staff and facilities, lack of access to advanced technology and lack of substance abuse testing and treatment facilities.

Tribal justice systems are the primary and most appropriate institution for the preservation of tribal families and communities. A tribe's own tribal court is often the best tool that can be used to protect tribal children and families and to preserve the integrity of the Indian tribe.

The most precious resource of a tribe is its children. Tribes are better equipped to handle child protection cases involving their tribal children because they know and understand the family or families involved, their strengths and weaknesses, and the family dynamics involved. As a result, tribes are better able to create culturally appropriate and creative case plans for families. Tribes also understand the situations that Native families face in villages and in urban areas and are more apt to work hard with a tribal family to come up with solutions and resources in order to keep the tribal family together.

Unfortunately, because the Central Council has been unable to secure funding for its tribal court, it has never been able to accept jurisdiction of ICWA cases from other states regarding its tribal children. Instead, the Central Council is forced on an ongoing basis to tell other states it is unable to take jurisdiction of these important cases involving its children. In addition, the Central Council is unable to initiate jurisdiction of an ICWA case because its tribal court is not active. As a result, the Central Council is currently intervened in approximately 400 state court ICWA proceedings in Alaska and out-of-state regarding its tribal children. Many of these cases are headed speedily toward parental termination proceedings, and could have been more appropriately resolved in the Central Council's own tribal court.

Tribal courts and tribal justice systems are the key to tribal self-sufficiency and to the preservation of tribal customary practices, families, and communities. The United States adopted the Native American Graves Protection and Repatriation Act (NAGPRA) that provide a great opportunity for tribes to repatriate tribal (and clan) art and artifacts back from national museums to the original owners. Unclear or missing records on the art or artifacts create conflict among individuals and the clans as to who the legal owner of the item is. A Tribal Court Of Elders will hear from conflicting parties and decide on the owner based on their understanding of traditional tribal property laws.

We welcome the opportunity to provide these written comments for the fiscal year 2002 budget for the Interior Department's funding for the Indian Tribal Justice Act and Tribal Courts. Thank you very much.

PREPARED STATEMENT OF GEORGIA FORESTWATCH

Georgia Forestwatch is an environmental advocacy organization focused on protection of public lands in north and central Georgia. Among our highest priorities is the conservation of the remaining pristine watersheds in these two areas. Toward this end, we work closely with a diverse set of ally organizations, including the Chattowah Open Land Trust, Mountain Conservation Trust, Soque River Watershed Association, and the Upper Chattahoochee River Keeper. On behalf of Georgia Forestwatch, I offer the following testimony in support of funding the Forest Legacy Program of the U.S. Forest Service at a minimum level of $100M, as well as full funding of the state and federal sides of the Land and Water Conservation Fund. As outlined below, these programs are essential to the conservation of forestland and other special areas in our state.

The forests of north Georgia are some of the most magnificent forests in the entire state. They also contain some of the highest biodiversity watersheds in the United States, and indeed the world. The Conasauga river, for example, contains ninety two species of fish, over forty species of mussels, and supplies water to Dalton, GA, the carpet capitol of the world. It has been estimated that over half the world's carpet is produced with water from the Conasauga. The Chattahoochee River, which like the Conasauga originates on National Forest land, provides drinking water for over four million people. These rivers and forests not only supply drinking water but also supply recreation for a rapidly expanding Atlanta population. Last year, the Chattahoochee National Forest received over ten million recreational visits, a number which rivals the twelve million received by the Great Smoky Mountains National Park, the most visited National Park in the United States.

THE NEED FOR INCREASED CONSERVATION FUNDING

While ample conservation opportunities still exist here, north Georgia is under unprecedented development pressure due to rapid population growth. Georgia is now the 10th most populated state in the country with nearly 6.5 million people. The south (broadly defined from Maryland around to Texas) grew by an impressive 17 percent during the 1990's,[1] adding some 15M people to reach a total population of 100M. This gain in population was greater than any other region of the country over the past decade. At the heart of this Southern growth are several of our southeastern states, some of which grew at phenomenal rates: Georgia by 26 percent and North Carolina by 21 percent, for example.

This population growth, coupled with our sprawling land use patterns, means that the Southeast is now experiencing a rapid conversion of undeveloped land to urban and suburban uses. In a recent study of land conversion nationwide, Georgia, North Carolina, Tennessee, and South Carolina all ranked in the top ten states with respect to the most land converted to developed uses in recent years.[2] Between 1989 and 1997, north Georgia lost over 90,000 acres of forest and agricultural land to development. These figures on population growth and rural land loss indicate that Georgia has an urgent need for conservation dollars. If we cannot seize the current opportunities to conserve undeveloped lands in our region in the immediate future, that opportunity may well be lost forever.

The conservation of these undeveloped areas has great significance for the quality of life, economic health, and natural heritage of our region. In north Georgia, the tourism and recreation industry ranks with the very top tier of industrial sectors in economic importance. The viability of this part of our economy is largely dependent on the maintenance of scenic beauty and open space, as well as wildlife and aquatic habitat for hunting and fishing. For example, in 1995 the Chattahoochee National Forest in north Georgia indirectly provided employment for 5,500 people and income of $119 million for local communities, and federal income taxes of $18 million. Hunting alone generated over $41 million dollars in revenue from our national forest land.

Investing in land conservation in this region is also extremely important to the ecological diversity of our nation. The Southeast is one of the two regions with the highest ecological community diversity in the United States. Within the Southeast, the Atlantic and Gulf coastal plains and the Appalachian highlands are the hotspots of ecological diversity. These are also two of the areas most threatened by current

[1] Perry, Marc J. and Paul J. Mackun. *"Population Change and Distribution: 1990 to 2000"*. U.S. Department of Commerce, U.S. Census Bureau. April 2001.

[2] USDA Natural Resources Conservation Service. "Summary Report: 1997 National Resources Inventory (Revised December 2000)". Table 2. p 21. 2000.

trends. For example, the recently completed North Carolina Chip Mill Study[3] found that 80 percent of bird species of conservation concern, 95 percent of reptile species of conservation concern and all amphibians of conservation concern on the North Carolina coastal plain are projected to be negatively impacted by forest trends over the next 20 years. Protection of our region's natural forest ecosystems such as longleaf pine, forested wetlands and mature hardwoods is crucial to maintaining the outstanding ecological diversity in the Southeast.

PROTECT SPECIAL PLACES THROUGH THE LAND AND WATER CONSERVATION FUND

Critical to conservation efforts in north Georgia is the full funding of the Land and Water Conservation Fund. After an unfortunate hiatus in needed support, last year's federal appropriation began to revitalize this popular program. It should be fully funded in this and coming years in order to take full advantage of important land conservation opportunities in the Southeast and across the country. A variety of projects have been identified in our north Georgia region and these projects enjoy support from diverse constituencies, ranging from urban recreation users to backcountry hunters and fishers.

While LWCF enables the states and multiple federal agencies to complete many different kinds of projects, several proposed additions to our public lands in Georgia are especially noteworthy. While Georgia is home to two of our National Forests in the East, these lands tend to be highly fragmented and are under intense pressure from urban sprawl. For example, the Chattahoochee National Forest in north Georgia is one of only two national forests in the east officially designated by the Forest Service as an "Urban" National Forest. This designation was derived from the fact that the Chattahoochee NF is within an hours drive for over four million people. Accordingly, their recreational, scenic and ecological values can be significantly enhanced by acquisition of nearby parcels from willing sellers. A few of the projects in need of immediate LWCF funding in our state, all of which have been rated as priorities by the Forest Service, are provided here:

—*Chattahoochee River (GA)—$2.7M*.—This 160 mile long buffer along the river would protect forests and provide open space to communities.

—*Chattooga Wild & Scenic River/Watershed (GA/NC/TN)—$4.3M*.—This river corridor traversing three states has been a long-term national priority for watershed-based conservation efforts.

Plus, an additional $1.3 M for the following tracts:

—*The Jacks River (GA)*.—These tracts are on the main tributary of the Conasauga River, the most biologically diverse river in the U.S., and home to 92 species of fish—species which rely on unfragmented ownership to decrease ever-threatening non-point source pollution.

—*Mt. Yonah (GA)*.—One of Atlanta's favorite mountain playgrounds, the purchase of this tract will expand the areas recreational capacity and reduce impact to rare and fragile botanical areas.

—*Etowah River (GA)*.—This tract will increase the buffer on one of Georgia's most imperiled rivers and will enhance safety for it's many beautiful fishes including the endangered Etowah darter. It is currently threatened by urban sprawl and second home development.

Finally, we are also asking for $500,000 so that the Forest Service might begin acquisitions on the Ocmulgee River in the Oconee National Forest. The Forest Service has informed me that they did request through their agency funding for acquisitions on the Oconee. It did not make the President's budget, but we feel it is imperative to begin an acquisitions process for the Oconee that is in the Piedmont portion of Georgia. These are some of the most heavily impacted rivers and bottomlands in Georgia and public ownership is critical if we are to protect them.

PROTECT FOREST LAND THROUGH THE FOREST LEGACY PROGRAM

Georgia Forestwatch supports full funding of the Forest Legacy program in Georgia. The majority of Georgia's forest lands are in private ownership, but these landowners are under intense pressure to convert their forest land to other uses. Private landowners currently own approximately 70 percent of Georgia's forest land and trends indicate that by the year 2010 over 95 percent of Georgia's forest land could be in parcels smaller than 100 acres. The main reason for this is that estate settlements are creating smaller parcels for heirs. It is also becoming harder for minority and poor landowners to hold on to their land, and many landowners over the age

[3] Cubbage, F., D. Richter, R. Schaberg and P.B. Aruna. *Economic and Ecologica Impacts Associated with Wood Chip Production in North Carolina.* Southern Center for Sustainable Forests. 31 July 2000.

of 50 are selling their land to support retirement and/or pay taxes. Large industrial landowners are also selling off land as it becomes more valuable for development.

Georgia's draft Assessment of Need (AON) for Forest Legacy funding resulted in the identification of six areas in Georgia that could possibly benefit. These areas contain Georgia's most significant watersheds and unbroken forested lands. The full funding of Forest Legacy could result in as much as $500,000 this first year to purchase Conservation Easements from willing sellers.

In closing, Mr. Chairman, Georgia Forestwatch strongly supports both full funding for LWCF and greatly increased appropriations for the Forest Legacy Program. We appreciate this opportunity to acquaint you with the significant conservation opportunities that exist in our state at present, as well as the urgent need for federal support to move forward with protection of forestland and other special areas in the Southeast.

PREPARED STATEMENT OF THE PUYALLUP TRIBE OF INDIANS

Mr. Chairman, my name is Herman Dillon, Sr., Puyallup Tribal Chairman. We thank the Committee for past support of many tribal issues and in your interest today. We share our concerns and request assistance in reaching objectives of significance to the Congress, the Tribe, and to 32,000+ Indians (constituents) in our Urban Service Area.

TRIBAL ADMINISTRATION BUILDING & NURSES QUARTERS—ASBESTOS ABATEMENT & REMOVAL APPROPRIATIONS

Context.—The Puyallup Tribe's five story brick "administrative building", is a former U.S. Public Health Service Indian Hospital, commonly known as Cushman Hospital. It is also known as the Tacoma Indian Hospital and Cascadia Diagnostic Center. The building temporarily houses our government services, many social services and Tribal Court that host clients, including children. However, since the Nisqually Earthquake (6.8 magnitude) of February 28, 2001 all governmental services and staff have been vacated from the building and located in temporary makeshift offices. This same building was "condemned" in 1988 by the U.S. Department of Interior—Bureau of Indian Affairs (BIA) as functionally and structurally dangerous and subject to collapse from earthquake tremors and high winds that can topple the parapet and perimeter walls. The nearby three story Nurses Quarters has been unoccupied for many years due to asbestos, and lead contamination and disrepair. Both buildings are surrounded by cyclone fencing to protect the public from falling debris. These buildings are connected by an underground system of steam heat and utility corridors (utilidoors) that are contaminated and deteriorated to the point of collapse.

Bureau stewardship.—The Bureau of Indian Affairs accepted "custody and accountability" of these facilities and accepted title in Trust for the Tribe on April 22, 1980 from GSA Region X. The Department of Interior, Office of Construction Management (OCM) retained Chen-Northern, Inc., and Cooper Consultants, Inc., to identify the cost of asbestos removal and replacement and structural repairs to upgrade the Administrative Building for life safety. Based on the consultant reports, BIA concluded that the buildings were hazardous and that it would be more costly to renovate the buildings to an acceptable level of safety standards, than to demolish the structures. The same situation holds today for the Administration Building.

Proposed congressional funding.—The Puyallup Tribe and the Bureau of Indian Affairs jointly funded a $51,300 study by AustinCina Architects entitled "Feasibility Study for Remodel or Demolition of Administration Building, Nurses Quarters and Tunnels" which was completed in 1999. The study demonstrates that demolition of the Cushman Complex confirms a Cost: Benefit Ratio (CBR) of 1:7 over remodeling ($2.8M:$16.6M). It is important to note that the remodeling costs will exceed $16.6M if interior reconfiguring costs are needed. Another study is currently underway to refine and confirm the cost of demolition. This study is being undertaken by a firm contracted with the Tribe and will determine demolition costs based on 2002 dollars.

The Puyallup Tribe and BIA are undertaking compliance activities to determine what to do about this issue. Although preliminary evaluation by the Tribe and BIA would lead one to conclude that demolition is the most cost effective option, Federal compliance activities are necessary. The BIA and Tribe have put together a funding resource of over $250,000 to conduct National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) Section 106 compliance efforts. The Puyallup Tribe will be co-Lead Agency for the NEPA compliance and the BIA will be Lead Agency for NHPA Section 106 compliance. The Puyallup tribe has created a

Tribal Historic Preservation Office and initiated coordination with the Washington State Historic Preservation Office and the Tacoma Historical Society. A public meeting will be held in the near future with the entire Tribal community to receive questions and comments. A contractor will then be selected to perform the Section 106 compliance. NEPA compliance will also be commencing this quarter with a public meeting of the Tribal community and scoping meetings with affected Federal, state and local agencies. A contractor will be hired to prepare the environmental assessment. It is anticipated that the NHPA Section 106 compliance will be a longer process than the NEPA compliance effort but that both should be concluded by the end of fiscal year 2001.

—The Puyallup Tribe requests a congressional appropriation of $2,800,000 for the removal of the asbestos contamination and demolition of the facilities through line item funding to the U.S. Department of Interior—Bureau of Indian Affairs budget for fiscal year 2002.

COMMUNITY HEALTH, AND SAFETY

While Indians continue to lag behind in a number of health status measurements, real progress is being achieved. As Congress implements measures to control spending in this era of historic federal surplus, it should not cut programs which are models the federal government can accomplish. Since 1976, the Puyallup Tribe has been exercising its control over their health care programs through Public Law 93–638, Indian Self Determination Act, to ensure that federal funds get to the community level by providing the necessary health care in the face of increasing medical costs. The Puyallup Tribal Health Authority (PTHA) is a model of what the federal government should fund and support for a successful program.

The fiscal year 2002 IHS budget increase of $107,700,000 over the fiscal year 2001 level for a total of $3.3 billion for overall IHS services and construction is an indication of the continued need for increased IHS funding. Unfortunately, despite the recommended increase, the fiscal year 2002 budget still falls short of preserving the existing IHS programs. The Puyallup Tribe is focused on preserving the basic health care program funded by the IHS budget. Preserving the purchasing power of the base program should be IHS' first priority. How can the tremendous unmet needs ever be addressed if the existing program is not maintained. Therefore, we urge Congress to:

—*Continue to fund medical and general inflation costs*.—These are legitimate increases that, if not funded, result in the loss of purchasing power at the expense of patient care.

—*Fund the increased expenses due to population growth*.—The more patients that are enrolled at the Takopid Health Center, the more diluted the services become for all eligible recipients.

—*President's request of $446,000,000 in contract care*.—Contract care is most vulnerable to inflation and population growth. The average number of new registered patients at PTHA is approximately 75 per month. CHS increases should be based on population growth alone. At a minimum, CHS should receive medical inflation adjustments equal to the Medicaid program estimated at 7.4 percent.

LAW ENFORCEMENT

Our 18,061+ acre Reservation is located in the urbanized Seattle-Tacoma area of Washington State and contains 83,000+ residents. This urban area contains 10,000+ Native Americans from over 200 Tribes and Alaskan Villages. The Reservation overlies a portion of the City of Tacoma which has experienced increases in criminal acts since 1990: 45 percent increase in Violent Crime, 64 percent in Thefts, 19 percent in Burglary, 29 percent in Rape, 46 percent in Assaults & 126 percent in Drug Related Crimes (PSCOG). Gangs are a threat to law enforcement integrity. Current staffing levels do not provide the minimum level of community Law Enforcement services. The Tribe has formalized Mutual Aid Intergovernmental Agreements including cross-deputization. Local governments stress a need for Tribal Enforcement emphasis on community patrols. We seek support and endorsement in:

—We currently receive contract funding from BIA to conduct law enforcement services. The amount has not increased to assist in our need for expanded gang related services. A Base Budget Add-On of $200,000 for additional Officers & related equipment and patrol vehicles are needed to insure the public safety of the Puyallup Tribe and its community.

—The Law Enforcement Headquarters, which houses the Police Department, also serves as a minimum-security jail facility. The Puyallup Tribe has the only "Tribal Jail" facility in Western-Washington and currently contracts with more

than Eight (8) other Western-Washington tribes to house tribal offenders in our facility. The facility sustained substantial structural damage in the February 28th earthquake and is in need of replacement or major repairs/expansion in order to meet the increased demand for retention services. We request Committee support of the proposed $5,000,000.00 increase for basic detention services.

FISHERIES & NATURAL RESOURCES MANAGEMENT

The Puyallup Tribe, as steward for land and marine waters in the Usual and Accustomed fish and shellfish areas, has treaty and Governmental obligations and responsibilities to manage natural resources for uses beneficial to the regional community. Despite our diligent program efforts, the fisheries resource is degrading and economic losses are incurred by Indian and Non-Indian fisherman, and surrounding communities. Our Resource Management responsibilities cover thousands of square miles in the Puget Sound region of the State of Washington with an obligation to manage production of anadromous, non-anadromous fish and shellfish resources. Existing levels of support are inadequate to reverse the trend of resource/habitat degradation. Resource management is constrained due to funding shortfalls. We seek support and endorsement in the following areas:

—*Bureau of Indian Affairs Public Law 93–638 Contract*.—Tribal Fisheries Resource Management, Hatchery Operation and Maintenance funding via Public Law 93–638 contracts have not increased substantially since establishment of base budgets in 1984. The demand on Puyallup Tribal Fisheries Program has grown exponential since the eighties and is currently faced by Endangered Species Act listings on Bull Trout and Chinook Salmon which is in a highly urbanized setting more so than any other Pacific Northwest Tribe. We request Committee support to increase base contract funding in the amount of $150,000.00 for additional fisheries staff.

—*Endangered Species Act*.—Full ESA recovery is a goal for the Puyallup Tribe. However, lack of contract funds makes it impossible to efficiently operate ESA programs. Funds need to be continued in order to implement fisheries restoration, monitoring and evaluation of programs in Commencement Bay, Puyallup River System and numerous streams in the Puyallup U & A. We request Committee support for base funding level of $1,029,000 to the Endangered Species Act fiscal year 2002 budget.

—*Western Washington Timber-Fish-Wildlife Program*.—The TFW Program has allowed for the expansion of tribal participation in the state forest practice rules and regulations that have an effect on listed salmon populations. In fiscal year 2000 Congress added to the TFW base funding for the Bureau of Indian Affairs. However, this base funding increase is being proposed to be discontinued in the fiscal year 2002 budget. Continued funding in this area is essential to facilitate tribal participation in monitoring, research, data analysis and adaptive management processes, which the cornerstone to the TFW process. We request Committee support for base funding level of $3,041,000 to the TFW fiscal year 2002 budget.

TRIBAL PRIORITY ALLOCATION & CONTRACT SUPPORT COSTS

The President's fiscal year 2002 budget calls for $2.2 billion to be allocated to the Bureau of Indian Affairs, which is an increase of $65,900,000 over the fiscal year 2001 enacted level. This request includes $750,500,000 for Tribal Priority Allocations (TPA), a $17,500,000 increase over the fiscal year 2001 enacted level. Although the increases are a positive commitment by the Administration, they still fall short of providing adequate funding for critically needed tribal programs supported by TPA funding. TPA budget activity includes the majority of funding used to support ongoing services at the local tribal level, including; law enforcement, natural resource management (fisheries), child welfare, housing, tribal courts and other tribal governmental services. TPA has not received adequate funding to allow tribes the resources to fully exercise self-determination and self-governance. Further, the small increases TPA has received over the past few years has not been adequate to keep pace with inflation. At a minimum, we request your support and endorsement in the following;

—Support by Congress of the President's fiscal year 2002 request for TPA increase of $17,500,000, for a total request of $750,500,000 for fiscal year 2002 TPA funding.

Another concern the Puyallup Tribe has with the fiscal year 2002 budget request is the ongoing issue of contract support costs. The President's fiscal year 2002 budget request includes an increase of $11,000,000 to address the Bureau of Indian Af-

fairs continuing contract support costs shortfall and $3,000,000 for the Indian Self-Determination Fund to address the needs of tribes taking on new Bureau of Indian Affairs programs. At a minimum, we request your support and endorsement in the following;

—Support by Congress of the President's fiscal year 2002 request for an increase in contract support cost funding of $130,200,000, including $3,000,000 requested for the Indian Self-Determination Fund for new Bureau of Indian Affairs programs contracted by tribes. Full funding of Contract Support is a mandate toward the full realization of Self-determination and Self-governance.

PREPARED STATEMENT OF THE YUKON RIVER DRAINAGE FISHERIES ASSOCIATION

ABSTRACT

The Yukon River Drainage Fisheries Association (YRDFA) requests a reauthorization of an appropriation to operate a public information and education campaign concerning the recently signed U.S./Canada Yukon River Salmon Agreement and the operations of the Yukon River Panel. YRDFA seeks a reauthorization of $100,000 in base level funding. Funds would be transferred from the U.S. Fish & Wildlife Service to the YRDFA through a Cooperative Agreement entered into under the authority of the Fish and Wildlife Coordination Act [16 USC 661–667 (e) (1970)].

INTRODUCTION

Since 1985 the United States and Canada have engaged in annual negotiations to conclude a long-term treaty for the management of chinook and fall chum that spawn in Canada. During the 1990s there were informal agreements on harvest targets and spawning escapements and from February 1995 through March 1998, a formal Interim Agreement was in place between the two countries. No agreement was in place from 1998 until early 2001 due to disagreements over harvest shares and other issues.

However, on March 29, 2001 after two rounds of negotiations in the past year United States and Canadian negotiators reached consensus on a framework Agreement for the Management of Yukon River chinook and fall chum stocks originating in Canada. Key elements of the agreement are as follows:

—United States border passage obligations: the United States agrees to deliver over the border the required number of salmon to meet the annual spawning escapement objective plus allow for a Canadian harvest at the midpoint of their guideline range.

—Canadian management obligations: Canada agrees to manage its fisheries to meet the annual spawning escapement objective.

—Both countries also agree to undertake efforts to reduce marine bycatches of Yukon River salmon and maintain the productivity of salmon spawning and rearing habitat in both countries.

—Establishes a joint Yukon River Panel to recommend annual spawning escapement objectives, meet inseason to develop recommendations in light of an extremely poor or strong return of salmon and manage the Restoration & Enhancement (R&E) Fund.

—The R & E Fund will be supported by a US contribution of $1,200,000 annually and be used for: (a) programs, projects and associated research and management activities on either side of the Alaska-Yukon border directed at the restoration, conservation and enhancement of Canadian origin salmon stocks; (b) programs and projects that are directed at developing stewardship of salmon habitat and resources and maintaining viable salmon fisheries in the Yukon River in Canada.

In light of this Agreement there is a serious need to continue to disseminate public information and education to the 15,000 rural residents living in the 42 different Yukon villages in Alaska. All of these villages are extremely isolated, accessible only by small plane or riverboat. There are no daily newspapers, limited and poor TV reception and only a few scattered public radio stations.

It is these rural villagers who are the most affected by the Agreement with Canada. Salmon, including Canadian-origin chinook and fall chum stocks, are the backbone of both their traditional subsistence fishery and their small commercial fishery. Decisions concerning Canadian-origin stocks have major impacts on how many salmon each family may harvest and how much fishing income a commercial fisherman might earn. These fishermen must not only be fully informed about the Agreement but must be able to communicate with and provide feedback to the Panel as

well as personnel of the U.S. Fish & Wildlife Service and the Alaska Department of Fish & Game.

Unless the residents and fishermen of the Yukon River understand the costs and benefits of the Agreement and the importance of the Canadian-origin stocks it will be very difficult for the Agreement to be successfully implemented. Without adequate public information and communication management and research measures will lose their effectiveness.

U.S./CANADA YUKON RIVER SALMON INFORMATION & EDUCATION PROGRAM

In the fiscal year 2000 and fiscal year 2001 budgets Congress authorized annual appropriations of $100,000 to YRDFA to assist the agencies in educating the public about the negotiations with Canada. Funds have been utilized for village fishermen's meetings and for informational newsletters distributed to nearly 3,000 recipients. We have worked closely with the USFWS in planning these newsletters and meetings.

We again request a $100,000 appropriation for fiscal year 2002 to make certain that the different rural salmon users are fully aware of the elements of the Agreement and of the activities of the Panel.

Newsletters and other materials would be distributed to:
—1,500 subsistence salmon fishing households
—950 commercial salmon fishing permit holders
—100 contacts in state and federal agencies
—42 ANCSA village corporations
—42 IRA/Traditional village councils
—12 salmon processing/smoking operations
—8 media outlets

YRDFA would also host and organize at least three village meetings. Through maintaining this program the fishermen and women of the Yukon will be fully informed and involved in working with the Yukon River Panel and the various agencies in helping to implement the Yukon River Salmon Agreement.

Budget request cost breakdown

YRDFA staff support	$40,000
Fishermen's Meetings (travel & per diem)	40,000
Newsletters (production & distribution)	20,000

The Yukon River Drainage Fisheries Association (YRDFA)

The Yukon River Drainage Fisheries Association was formed in 1990 to unite lower river and upper river commercial and subsistence fishermen of the Yukon River and its tributaries within Alaska. As such it represents Yup'ik Eskimo, Athabaskan Indians and white homesteaders. It is governed by a 16-member Board of Directors with seats apportioned according to the six (6) commercial fishing management districts of the Yukon, the coastal villages, the Koyukuk River tributary and the Yukon Flats. A primary goal of the YRDFA is to seek consensus solutions to the various management, conservation and allocation issues on this vast and complex river system.

The YRDFA hosts a 4-day Annual Meeting in a different village each year and publishes an occasional newsletter. The Association also sponsors ad hoc village meetings concerning local and subregional issues. It works on a regular basis with biologists of the Alaska Department of Fish & Game and the United States Fish & Wildlife Service to craft management plans that help to assure sustained yield of various stocks while meeting subsistence harvest needs and providing for commercial harvests. YRDFA then presents these consensus plans for formal regulatory approval by the Alaska State Board of Fisheries.

The YRDFA is the only organization that unites all the diverse fishermen on the river. It knows the best ways to communicate with and foster the participation of these fishermen.

Thank you for this opportunity to submit written testimony.

PREPARED STATEMENT OF THE CONFEDERATED TRIBES AND BANDS OF THE YAKAMA NATION

I am Lonnie Selam, Sr., Chairman of the Yakama Nation. I am submitting written testimony seeking appropriations for fiscal year 2002 to address the following natural resource needs:

(1) $2,314,359 for forest management activities associated with the epidemic level outbreak of the Western Spruce Budworm;
(2) $675,000 for monitoring of forest practices on state and private lands within our ceded area for their ability to maintain, protect and restore the cultural resources of the Yakama Nation; and
(3) $200,000 for fish and wildlife activities associated with our timber program, and fisheries management related to salmon recovery in the Columbia River basin.

SPRUCE BUDWORM TIMBER MANAGEMENT

The Spruce Budworm is systematically killing more than 650,000 acres of Tribal, Federal, State and private lands along the Eastern slopes of the Cascade Mountains in Washington State. More than 200,000 acres of those infected lands are within the Yakama Indian Reservation. This request is broken down into four budworm-driven programs—Forest Development, Small Wood Utilization, Stand Level Data Collection, and Sale Development and Monitoring. The needs for fiscal year 2002 for these four programs total $2,314,359.

The Yakama Reservation is located in south central Washington on the east slope of the Cascade Mountain range. The reservation is approximately 1.3 million acres, of which 613,200 acres are forested. Prior to 1900, the forested landscape was dominated by open, park-like ponderosa pine savannahs. These tribal forestry lands are managed by the Bureau of Indian Affairs (BIA). Past management practices such as fire exclusion, grazing, and early logging activity have converted the forest into a dense, contiguous landscape dominated by Douglas-fir and Grand fir. These two species are ideal hosts of the western spruce budworm. Due to the forest conversion, an epidemic outbreak of the budworm has been occurring for the past 16 years and has been largely ignored by the BIA. More recently, the land managers have begun to address the problem through several Bt biological control agent spray projects jointly funded and implemented by the Yakama Nation and Bureau of Indian Affairs. They have been conducted to lessen the impacts caused by budworm defoliation. In addition to spraying, there has been an increase in harvest activity, precommercial thinning, replanting of budworm non-host species, mechanical site preparation, and prescribed burns to assist in the suppression of the budworm epidemic.

The severity of the budworm outbreak has unleashed the potential for both economic and natural habitat disasters. Economic loss can range from product value loss to ecosystem loss due to catastrophic fire, both of which directly impact the vital habitat of endangered species. The budworm has been negatively impacting the Yakama Nation forest since 1985. Acres defoliated have significantly increased from 1985 with 5,624 acres defoliated to 214,772 acres in 2000.

The budworm has substantially increased over many not previously defoliated areas. It has moved north and west into many reserved management areas. Currently, these areas are highly sensitive, and provide many values to the Yakama people. Because of the severity of the outbreak, many of these areas are at risk to other insect outbreaks (bark beetles), large-scale mortality, and catastrophic fire events. As a result of the scale, it is impossible to treat these acres in a timely manner at the current capacity. At risk is a value of $128 million dollars to timber resources. Not only is timber resource at risk, but other resources and values are threatened.

Activities to be Funded by Appropriations

1. *Forest Development $1,500,000*.—Forest development can be defined as activities performed within the forest designed to improve forest health while enhancing the productivity of the forest. Forest development projects consist of silvicultural treatments designed to establish, promote, enhance and maintain timber stand growth and health in order to produce perpetual yields of desired forest products. Forest development projects include precommercial thinning, planting, and site preparation projects including mechanical site preparation and prescribed burning. Forest development projects are critical elements in maintaining a sustainable forest resource. The expense of these projects can be viewed as a financial investment to ensure for a viable commercial timber base.

Forest development activities will bring the spruce budworm impacted lands back into the desired state. The forest development needs on the Yakama Reservation in response to the budworm have been identified as 134,675 acres. Treatment of these areas will occur over a 10-year time frame resulting in the treatment of 13,470 acres annually. Current funding levels are annually approximately $1.5 million short of the need.

Forest development projects are currently accomplished by a combination of direct hiring of personnel and contractors, all of which are enrolled Yakama Tribal mem-

bers or descendants. The continued funding of forest development projects would result in the direct employment of approximately 100 tribal members.

2. *Small Wood Utilization $67,979*.—Thinning overstocked stands can greatly aid in reducing susceptibility to spruce budworm as well as reducing the risk for catastrophic fires. Small wood utilization will address the problem common to most of the budworm areas, that of overstocking of small diameter trees. This will require assessment of market opportunities for this resource and the development of projects to utilize the small diameter trees.

3. *Stand Level Data Collection $474,380*.—Data collection is critical to the development of short and long term plans for the management of the timber resource. The objective of the data collection will be to create a stand level database to drive middle and long-term decisions and delineate timber stands on the Yakama reservation. We wish to collect data on 8 plots per stand on 30 percent of the area of the managed forest (380,000 acres) over the course of 5 years.

4. *Sale Development and Monitoring $272,000*.—The current timber sale staff and resource specialists are inadequate to address the extent of the budworm infestation. In order to increase management of the timber resource, professional staff will be needed to include additional silviculturalists and resource specialists.

TIMBER, FISH AND WILDLIFE PROGRAM

The Yakama Indian Nation's TFW area of responsibility includes the forested land base along the entire east slopes of the Cascade Mountain Range and much of the Columbia River Gorge. This area extends from the Canadian border down to the Oregon border and includes 12 major watersheds to the Columbia River. Within this large landscape, the Yakama Nation's TFW Program is responsible for review, monitoring and compliance of forest practices on State and private lands as its base function. Forest practices are evaluated for their ability to maintain, protect and restore the cultural resources of the Yakama Nation including fish, water quality, wildlife, food and medicine plants, and other cultural and archaeological areas. This base programmatic function requires a minimum of $375,000 to continue at the current level of involvement. Along with the continuing year-to-year function, special projects have been undertaken by the Program to provide the Yakama Nation with improved management tools for assessment of forest practices. During the upcoming fiscal year, these projects will require additional funding of $300,000. These projects include:

—Fisheries baseline data collection for habitat and water quality conditions will be continued and expanded for spawning gravel conditions, habitat assessment, forest stand conditions, stream temperatures and factors affecting them, and fish distribution (began in 1985 to present). Development, evaluation and improvement of models to predict these conditions.

—Watershed Analysis participation and involvement (1992 to present, and consistent with Washington State Forest Practices Act). Improvement of Watershed Analysis for aquatic resources and development of new modules for other cultural resources (wildlife, archaeology, others).

—Evaluation of the Forests and Fish Report (2000 to present) to protect and maintain water quality, fish, wildlife and other cultural resources important to the Yakama Nation. Participation on TFW Committees involved with this process.

—Cultural and Archaeological site data recording and modeling (1992 to present, and consistent with implementation of the Washington State Forest Practices Act). Further development and evaluation of predictive models to improve early identification of archaeological and other cultural sites.

—Wildlife Habitat Assessment continued development (1993 to present, and consistent with improving the Landscape Approach designated by the State Legislature).

In summary, the base program for the Yakama Nation will require a minimum of $375,000 to continue at its current level of involvement. Special projects will require an additional $300,000 for this coming fiscal year. Total funding needs for the TFW Program are $675,000 for fiscal year 2002.

FISH AND WILDLIFE PROGRAM

The Yakama Nation is requesting an additional $200,000 for fiscal year 2002 for: (1) implementation of actions to outplant salmon into rivers in the mid-Columbia, and; (2) the collection of fisheries and wildlife data essential for ongoing logging activities on the Yakama Reservation. We request that the $200,000 be added to our base of $575,000 and be placed in the "other recurring programs wildlife and parks" portion of the BIA fiscal year 2002 budget.

Fish and Wildlife resources continue to be a vital necessity in the maintenance of the cultural and traditional values of the Yakama People. However, these resources are diminishing at an alarming rate. The salmon runs, which once numbered 12–15 million per year now total less than 1 million fish. This critical juncture in the protection of these fishery resources has forced the Yakama Nation into a very pro-active role with our other co-managers: the State of Washington, the National Marine Fisheries Service, and the United States Fish and Wildlife Service. The Yakama Nation's involvement with these entities includes the management of over 1,500 miles of river habitat throughout eastern Washington and the Yakama Reservation. (1.3 million acres).

The Yakama Nation's role as a co-manager has increased substantially as federal and state agencies have focused on ESA listed salmon and steelhead stocks. The recent Biological Opinion (BO) on hydro operations has reaffirmed the need for clean productive habitat in our rivers. In addition, the BO supports the use of hatcheries for outplanting salmon and steelhead stocks into the natural habitat.

Both of these actions, protecting fisheries habitat and developing strategies to outplant hatchery stocks, require the development of subbasin plans in the ten tributaries to the Columbia which we have co-management responsibilities. The Yakama Nation will play a major role in the writing of subbasin plans as well as their implementation. We have collected salmonid life history information in each of the ten subbasins and have worked closely with local land managers to protect key fish habitat. Subbasin planning will build on the knowledge we currently possess of these watersheds and will take several years to complete under guidance and funding of the Northwest Power Planning Council. Plans will include development of goals and objectives that direct future fisheries restoration programs including habitat protecting actions and hatchery outplanting projects.

However, several actions will be needed concurrently with planning efforts to utilize spring chinook and coho that return prior to completion of the plans. For instance, in the year 2002, acclimation sites need to be developed to utilize spring chinook that are in excess of hatchery needs in the Methow River Basin. Without new funding, state and federal hatchery managers will kill ("club") adult spring chinook and waste a valuable resource that could be used to rebuild adult returns to the habitat. We are requesting an additional $100,000 of Bureau of Indian Affairs 638 funds for this task in fiscal year 2002.

Tribal fish and wildlife personnel also conduct essential resource activities on the Yakama Reservation. By ensuring compliance with NEPA and ESA, tribal fish and wildlife programs play a key role in keeping the BIA's timber sale program running. In 1999, the annual Spotted Owl Inventory and Monitoring Grant combined with Forest Management Deduction funds allotted to the Wildlife Program helped enable the harvest of 225 million board feet of timber. Additional funds allowed us to conduct some monitoring of impacts of timber harvesting on big game populations.

However, the Forest Management Deduction funds are derived from timber sale profits, and extremely low market prices have slashed the Wildlife Program share to $67,000 in fiscal year 2001 (with further cuts possible by the end of fiscal year 2001). The timber sale schedule has accelerated to deal with ongoing spruce budworm outbreak, and at least two biologists are needed to get these sales through the NEPA process. The current funds are not sufficient to support one biologist, when office and fieldwork costs are factored. Also, the purchasing power of the big game funds has decreased substantially since originally allocated in 1988. In order to continue reviewing and approving timber sales and monitoring their impacts on the Yakama Nation's treaty-protected resources, we are requesting an additional $100,000 of BIA 638 funds for this task in fiscal year 2002.

I appreciate the opportunity to present our needs to you, Mr. Chairman, and the Yakama Nation hopefully awaits the work of your Subcommittee.

PREPARED STATEMENT OF THE SIERRA CLUB

The Sierra Club greatly appreciates the opportunity to submit this testimony as part of the official record regarding the Interior Appropriations bill for fiscal year 2002. The Sierra Club is the country's oldest and largest grassroots environmental organization, representing more than 600,000 members in more than 65 chapters and 450 groups across the nation. Protecting our nation's public lands and wildlife has long been one of Sierra Club's top priorities.

We strongly urge you to reject the cuts to Interior Department funding recommended in President Bush's budget proposal, and provide increased funding for Interior Department programs aimed at protecting America's valuable and threat-

ened lands and wildlife. In addition, we urge you to keep the bill clean of any anti-environmental riders.

FULLY FUND THE LWCF AND THE NEW LAND CONSERVATION FUND

The Land and Water Conservation Fund.—Last year, support for the Land and Water Conservation Fund reached unprecedented levels, as evidenced by the overwhelming support in Congress for CARA, a bill to provide full and permanent funding for LWCF and other crucial conservation programs. Obtaining full funding for the LWCF is a top priority for the Sierra Club, and we urge the Committee to provide $900 million for the LWCF in fiscal year 2002.

Moreover, it is crucial that an appropriation for the LWCF maintain the $450 million made available in fiscal year 2001 for the federal portion of that program. Despite severe shortfalls in LWCF funding over the years, federal land management agencies have made great strides in protecting our natural treasures through the use of LWCF money. But significantly more funding is needed to meet increasing federal land acquisition needs.

Despite a campaign pledge by President Bush to fully fund the LWCF, the Administration's budget request calls for only $390 million for traditional federal LWCF activities—$60 million below last year's enacted level, and significantly less than is needed to meet the federal land acquisition backlog. Under the President's request, the rest of the $900 million would go to the states for an array of uses, with little federal oversight as to how the money will be spent. In addition, to make up the total for an "increase" in state-side LWCF, the Administration would divert funding from a number of other popular programs included in the new conservation funding budget category created in last year's Interior Appropriations bill.

We urge you to provide $900 million for the LWCF, including $450 million for traditional federal agency activities. In addition, please see the attached list of specific federal LWCF projects for which the Sierra Club supports funding.

The Conservation Budget Category.—Last year, a bipartisan agreement to provide $12 billion in dedicated funding over six years for a host of land and wildlife protection programs was represented in the Interior Appropriations bill for fiscal year 2001. The Administration's fiscal year 2002 budget request would fail to deliver on this historic agreement, shortchanging the new "Land Conservation, Preservation and Infrastructure Improvement Program" (LCPIIP) for this year by $250 million. In addition, the President's proposal would steal funding from popular—but historically underfunded—programs that provide money to states for wildlife habitat protection, endangered species protection, and wetlands restoration, and instead gives states "flexibility" to use state LWCF money for these uses only if they so choose.

We urge the Committee to fully fund the Land Conservation, Preservation and Infrastructure Improvement Fund, and to maintain at least the baseline funding for each of the programs within the Fund as established in last year's budget deal.

PROTECTING OUR PUBLIC LANDS

Overall, the Interior Department budget request would dramatically increase funding for energy and mineral development on our public lands and in the federal outer continental shelf, as well as for other resource extraction activities, while slashing funding for important conservation programs.

Bureau of Land Management.—While the Interior Department budget request for the BLM includes a $7 million increase over the fiscal year 2001 level for land use planning, we are concerned about the Administration's emphasis on land use plans related to energy and mineral development. Moreover, the Administration's request would increase the budget for energy and minerals exploration by $15 million, while making a corresponding cut to programs needed to protect threatened and sensitive public lands.

In addition, the Administration's budget request would provide $5 million for "planning and associated environmental studies" in the Arctic National Wildlife Refuge in order to meet a lease sale goal of 2004. This despite the fact that both the House and Senate rejected Administration recommendations for assuming revenues from drilling in the Arctic Refuge. Approval from Congress is needed before any oil or gas development can go forward. Given the opposition in Congress to drilling in the Refuge, dedicating money to this purpose, when it could otherwise be used to protect America's valuable wildlands, is impractical and irresponsible.

We urge the Committee to reduce funding for energy and minerals development, including rejecting the $5 million requested by the Administration for energy exploration in the Arctic Refuge, and provide adequate funding to programs within the Bureau of Land Management to protect land and wildlife.

Forest Service.—Forest Service managed lands serve as the headwaters for many major river systems and aquifers that are essential for the nation's water supply, and contain valuable riparian, wetland, and coastal areas. Funding for the management of the National Forests in the Administration's budget proposal requests $261 million for the commodity and salvage timber programs. These programs consistently result in money losing timber sales that damage valuable forest resources such as clean water, recreation and fish and wildlife habitat. Sierra Club urges the Committee to instead invest this funding into a comprehensive forest restoration program intended to decommission eroding and unneeded logging roads, restore fisheries and wildlife habitat and provide restoration jobs and economic benefits for communities.

Forest roads can have serious adverse impacts on watersheds, especially if poorly maintained. Few marks on the land are more lasting than roads. The Roadless Area Conservation Rule was developed after the completion of a three-year process which included substantial scientific study and the largest public comment process in the history of the federal government. The Forest Service conducted 600 public hearings around the nation and collected over 1.6 million comments. Of these comments, approximately 95 percent were in favor of complete and permanent protection for the last remaining roadless areas on the National Forests. Sierra Club urges the Committee to recognize the overwhelming public interest and support for protection of roadless areas and to avoid funding any new permanent or temporary road construction in roadless areas. Further, the Committee should ensure implementation of the Roadless Area Conservation Rule and the Road Management Rule by providing all necessary funds required for these programs.

Recreation Fee Demonstration Program.—We urge you to oppose the Recreation Fee Demonstration Program, which allows land management agencies to charge new fees for access to our public lands. It does not make economic or environmental sense to charge fees for low-impact recreational activities while subsidizing extractive industries like mining and logging. The American people already own these lands, and should have free and open access to them. We ask for your assistance in ending this socially and environmentally unsound program.

ENDANGERED SPECIES FUNDING

The Fish and Wildlife Service Endangered Species program has been chronically and significantly underfunded. As a result, the FWS currently has no funding to list threatened and endangered species except for those under court order. Now, the more than 300 species that are candidates or proposed for protection under the ESA face the continued threat of extinction.

Despite the fact that Interior Secretary Gale Norton pledged in nomination hearings to enforce the ESA, the Administration's budget request for the FWS would severely cut ESA programs, in the FWS, and other federal land management agencies. The overall level for endangered species work in the Interior Department would represent a 25 percent reduction from fiscal year 2001. The nearly $6 million cut in the FWS recovery program means that even species that are listed could face increasing threats, if not extinction. While the $2 million increase in the FWS listing program is welcome, it is not nearly enough to address the substantial backlog.

We strongly urge the committee to significantly increase funding for the FWS endangered species program, and to reject cuts recommended in the Administration's budget proposal.

In addition, we strongly oppose the recommendation in the Interior Department's budget request to essentially eliminate the effectiveness of citizen suits under the ESA, and to give the Secretary of Interior absolute discretion over whether and when a species is listed. Citizen petitions to list endangered species have been a critical tool in adding species to the endangered species list and placing them on the road to recovery. Courts have ordered the Interior Department to protect a number of endangered animals and their habitat, including the jaguar, the coho salmon in the Pacific Northwest, and the California red-legged frog, which gained fame in Mark Twain's "The Celebrated Jumping Frog of Calaveras County." The recommended rider to the Interior Appropriations bill could gut the ESA, and is completely inconsistent with Secretary Norton's promise to enforce the ESA.

SIERRA CLUB FISCAL YEAR 2002 LAND AND WATER CONSERVATION FUND PRIORITY PROJECTS

	Need for 2002	Admin. request
National Park Service:		
Big Thicket National Preserve (TX)	$20,000,000	.....

SIERRA CLUB FISCAL YEAR 2002 LAND AND WATER CONSERVATION FUND PRIORITY PROJECTS—Continued

	Need for 2002	Admin. request
Kahuku Ranch—Hawaii Volcanoes National Park (HI)	40,000,000	$4,000,000
Bureau of Land Management:		
Lewis and Clark National Historic Trail (ID)	2,100,000	1,000,000
Lower Salmon River Area of Critical Environmental Concern (ID)	3,000,000	2,000,000
South Fork Eel River (CA)	1,500,000	.....
Fish and Wildlife Service:		
Grand Kankakee Marsh National Wildlife Refuge (IN/IL)	30,000,000	.....
James Campbell National Wildife Refuge (HI)	40,000,000	.....
Little Darby River—National Wildlife Refuge proposed (OH)	5,000,000	.....
Okefenokee National Wildlife Refuge	75,000,000	.....
Ozark Plateau National Wildlife Refuge (OK)	520,000	.....
San Bernard National Wildlife Refuge (Columbia Bottomlands) (TX)	2,000,000	1,000,000
Trinity River National Wildlife Refuge (TX)	2,000,000	.....
Forest Service:		
Admiralty Island/Favorite Bay—Tongass National Forest (AK)	925,000	925,000
Sequoia National Monument (CA)	5,000,000	.....
Carbon River—Mt Baker-Snoqualmie and Wenatchee National Forests (WA)	5,000,000	.....
Coleman Rim—Fremont National Forest (OR)	750,000	.....
Columbia River Gorge National Scenic Area (OR/WA)	6,120,000	6,000,000
Condrey Mountain—Rogue River National Forest (OR/CA)	3,000,000	.....
I–90 Option Lands (WA)	16,760,000	2,000,000
Klamath National Forest (CA)	6,000,000	.....
North Fork American Wild River (CA)	1,700,000	1,700,000
Pinhook Swamp—Osceola National Forest (FL)	4,500,000	4,500,000
Sam Houston National Forest (TX)	2,300,000	.....
Sawmill Creek—Mt Baker-Snoqualmie and Wenatchee National Forests (WA)	4,000,000	.....
Sawtooth National Recreation Area (ID)	5,000,000	5,000,000
Squirrel Meadows—Targhee National Forest	3,600,000	.....
Tieton River—Mt Baker-Snoqualmie and Wenatchee National Forests (WA)	7,000,000	.....

PREPARED STATEMENT OF THE LUMMI INDIAN NATION

My name is William E. Jones, Sr., Chairman of the Lummi Indian Nation. The Lummi Indian Nation, located on the northern coastline of Washington State, is the third largest tribe in Washington State serving a population of over 5,200. On behalf of the Lummi Indian Nation I want to thank you and the members of the Committee for the opportunity to express our concerns and requests regarding the fiscal year 2002 BIA, IHS, and Natural Resources appropriations.

Tribal Specific 2002 Appropriation Priorities:

1. *+$3,500,000 Semiahmoo Reinterment and Recovery Effort*.—Provide the Lummi Nation with funding to ensure the sensitive recovery, handling, and preservation of ancestral human remains disturbed by contractors for the City of Blaine at a known traditional tribal cemetery site,—entitled—Si'ke;

2. *+$750,000 Water & Sewer Infrastructure Planning*.—Provide the IHS Sanitation Facilities Construction Program with funds to support planning for a tribal water and sewage system infrastructure development project;

3. *+$1,300,000 Water Negotiations*.—Provide the Tribal Government Services and Water Resources Account with funds to support ongoing water rights negotiations $300,000 for attorney fees, $400,000 for on-Reservation technical studies, and $600,000 for Nooksack River Basin technical studies;

4. *+$700,000 Increase to Lummi Nation Shellfish Hatchery Operation*.—Provide support to the ongoing operation of the tribal shellfish hatchery consistent with the expansion of the Boldt decision to shellfish;

5. *+$740,000 Support Realty*.—Provide the Lummi Nation with funding to ensure that the major elements such as land consolidation, land records management, tribal probate, and training are available to effectively operate and manage tribal realty resources and services;

6. *+$500 Lummi Youth Safe House*.—Provide allocation through the IHS Facilities Construction Program to design and construct a youth "safe house" for the provision of emergency "holistic" care, shelter and/or wrap-around social and health services for local youth living in the Lummi community;

Regional priorities:

7. Support all requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Area Indian Health Board, and the Northwest Indian Fisheries Commission.

National & self-governance priorities:

8. Restore $256,000 and $100,000 increase to the DOI Office of Self-Governance for the Self-Governance Communication and Education Project and the Tribal Self-Governance Advisory Committee;

9. Fully fund Contract Support Cost (CSC) at 100 percent within the IHS and BIA to address documented Tribal needs;

10. +$5 million in the IHS Division of Clinical and Preventive Services to support a Tribal Leaders Oral Health Initiative for Native Americans and Alaskan Natives

11. +$325 million to IHS mandatory, inflation and population growth increase needed to maintain existing health care to American Indians and Alaskan Natives

12. +$25 million in BIA TPA General Increase for Inflationary Adjustments

13. Support all requests and recommendations of the National Congress of American Indians

TRIBAL SPECIFIC PRIORITIES

Semiahmoo Reinterment and Recovery Project—+$3,500,000

The Lummi Nation is requesting $3,500,000 to ensure the sensitive recovery and reinterment of over 100 disturbed burials that were removed from a traditional cemetery during the construction of a sewage plant in Blaine, Washington. Under an MOA between the Departments of Interior and Agriculture and the city of Blaine, ancestral remains were insensitively disturbed and eventually transported out of state. The expansion of the plant was financed with federal funds and permitted by the state-of course the disaster was not foreseen but it happened and the Lummi Nation needs financial assistance to implement a Semiahmoo Reinterment and Recovery Plan.

The Sewage waste construction project involved the removal and transporting by dump trucks of soil, which possessed human remains, and artifacts to a site that currently comprises over 10,000 cubic meters of cultural deposits covering a 3.5-acre landfill. The Semiahmoo Reinterment and Recovery Plan is a multi-year project which will entail archeological excavation and sensitive techniques to map, gather, identify, transport, catalog and the Reinterment of ancestral remains and cultural artifacts.

Water & Sewer Infrastructure Planning—+$750,000

The Lummi Reservation supports a population of nearly 5,200 persons, which has strained water and sewer system capacities to their limits. Additional capacity must be obtained now to support the existing population. The Nation is quickly approaching a critical level of need under what was once determined to be the short-term band-aid approach. The long-term solution must include additional treatment capacity and water source location and development. Public Works infrastructure development and investments like these require substantial planning. The Lummi Nation is not able to undertake this level of planning without the assistance requested herein. Lummi Nation recommends the IHS Sanitation Facilities Construction Program account receive funds to support tribal planning of a water delivery and sewage treatment system infrastructure for the existing and projected population of the Lummi Indian Reservation.

Water Negotiations—+$1,300,000

The Lummi Nation signed an Agreement in Principle with the Federal Government and the State of Washington on January 27, 1998. This agreement is a stepping-stone toward a final settlement of the on-reservation water rights conflicts, which has been and still is attributable to the non-Indians disregard for treaty-reserved water and fishing rights in the Nooksack River Watershed. Many difficult issues remain to be resolved which will require significant technical studies and legal consultation before a final agreement can be signed. To complete this work the Lummi Nation is requesting $1.3 million during fiscal year 2002 to support:

$300,000 for legal consultation costs, $400,000 for on-reservation technical studies, and $600,000 for technical studies in the Nooksack River Basin. The Lummi Nation recommends that the BIA receive funds to support the increase for the Water Rights Negotiation/Litigation, Attorney fees and technical studies.

Lummi Nation Shellfish Hatchery Operation—+$700,000

The thirty-year old hatchery supplies oyster and clam seeds to a majority of the Northwest Washington Indian tribes and growers. The recent Supreme Court decision to uphold the shellfish ruling supports the need to provide both the treaty and non-treaty growers for oyster seed, clam seed, and enhancement projects with seedlings to aid in the production of this resource. These dollars benefit both the tribal government and Washington State. The Lummi Nation recommends that $350,000 be provided to support this effort through the BIA Hatchery Operational program.

Support Realty—+$740,000

The Lummi Nation has a multi-year plan to address the realty tribulations. Its major elements include land consolidation, land records management, tribal probate process, and revision of realty procedures, backlog elimination, and training. Land consolidation requires untangling the heirship disarray by conducting research to land titles, appraisals, surveys, subdivision and other technical work. Land records management requires the development of a tribal land database with an electronic connection to the BIA databases. The tribal probates process is both time consuming and a contributing factor why land in Indian Country is so fractionated. Development of an on-site process using the Lummi Tribal Court would reduce the time requirements and make for a more effective process.

Lummi Youth Safe House—+$500,000

Provide the Lummi Nation with a Family-Centered Youth Facility to provide a continuum of care to "At-Risk", Homeless and/or Runaway Adolescents. The primary components of this continuum are screening, intervention, substance prevention, respite, and after-care services consistent to youth needs. Participating youth are supported through center-based continuum and "wrap around social/health services" to overcome barriers to achieve their goals. Lummi youth entering and/or completing treatment successfully make the transition to return to daily life through a traditional "holistic" approach towards recovery involving family members and dependency counselors.

REGIONAL REQUESTS AND RECOMMENDATIONS

The Lummi Indian Nation is a member of the regional organizations, which advocate on behalf of Tribes in Washington State. These consortia efforts include the Affiliated Tribes of Northwest Indians, the Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission. We support the collective requests of these organizations in the fiscal year 2002 budgets for the BIA and IHS.

SELF-GOVERNANCE AND OTHER NATIONAL CONSIDERATIONS

Restore $256,000 for the Self-Governance Communication and Education Project.—As one of the original first tier Tribes participating in Self-Governance, we are concerned that the Administration has recommended that funding for the DOI Office of Self-Governance be decreased by $256,000. This funding cut will eliminate the Self-Governance Communication and Education Project, which over the past ten years has provided timely and invaluable information, not only to the more than 200 Tribes participating in self-governance, but also to the Administration, Congress and other entities expressing interest in self-governance. The Nation not only ask that you restore these funds, but increase the funding to cover the actual Self-Governance Communication and Education Project cost, for providing communication outreach services.

Restore +$1 million. To support the Tribal Leaders Self-Governance Advisory Committee in its role to provide advice and guidance to the Assistant secretary for Indian Affairs on policy issues that impact the Self-Governance principles. This Advisory Committee provides a critical role in policy negotiations on a government-to-government level when tribes and the United States seek to enter into compacts of agreement.

Increase BIA and IHS Contract Support Cost (CSC) Funds to address documented need.—CSC funds are required for Tribes to successfully manage their own programs. While the Administration's budget request for fiscal year 2002 includes a modest increase for CSC—(1) an additional $65 million is needed in IHS, and (2) an additional $25 million is needed in BIA to fully fund CSC (excluding direct con-

tract support costs). This shortfall continues to penalize Tribes which elect to operate BIA and IHS programs under the self-determination policy.

+*$5 million*.—To support the Tribal Leaders Oral Health Initiative in the IHS Division of Clinical and Preventive Services. This initiative seeks to improve oral health status and increase access to oral health services for Indian people. Indian people experience dental disease at rates 2 to 10 times the national average and Tribes currently have great difficulty recruiting dental staff with 25 percent of dentist positions currently vacant. $5 million will permit the tribes to increase their recruitment activities, improve availability of community water fluoridation, and collaborate more effectively with the IHS and other partners to curb the epidemic of oral disease that confronts Indian people.

+*$325 million to IHS mandatory, inflation and population growth increase needed to maintain existing health care to American Indians and Alaskan Natives*.—These costs are unavoidable and include medical and general inflation, as well as costs associated with newly constructed facilities. If unfunded, these costs increases will result in further health service reductions in tribal communities.

+*$25 million*.—In the BIA TPA for general increases for inflation adjustments. This activity represents the majority of the funds used to support on-going services at the local Tribal level including such programs as housing, education, natural resource management and Tribal government services. This request will provide for a modest 3.5 percent inflation adjustment for existing Tribal programs and services.

Support all requests and recommendations of the National Congress of American Indians

This written testimony identifies the Lummi Indian Nation's funding priorities, as well as regional and national concerns and recommendations for your consideration. Further, the Lummi Indian Nation strongly opposes any bill, language or legislative riders that will undermine tribal sovereignty. The Lummi Nation desires to have direct consultation and formal hearings with respect to our long-standing government-to-government relationship.

I appreciate your consideration of the fiscal year 2002 requests and recommendations of appropriations for the BIA, IHS, and Natural Resources on behalf of the Lummi Nation. Thank you.

PREPARED STATEMENT OF THE PORT GAMBLE S'KLALLAM TRIBE

This testimony is submitted on behalf of the Port Gamble S'Klallam Tribe in Washington State, regarding the President's fiscal year 2002 budget request for tribal programs in the BIA and IHS. This statement is presented on behalf of the elected members of the Tribal Council and on behalf of the Port Gamble S'Klallam people.

Our testimony addresses five particular program areas which the Tribe urges that Congress fund in fiscal year 2002:

— *Point No Point Treaty Council Wildlife Program*.—Provide $300,000 in recurring funding to enable long-term wildlife management on the Olympic Peninsula, guaranteed by the Point No Point Treaty of 1855.

— *Protection of Reservation Land and Water from Landfill Contamination*.—Provide $100,000 in additional resources to assist the Tribe to assess the hazards to tribal members' health and to evaluate the impacts on reservation groundwater and soils resulting from Kitsap County's Hansville Landfill.

— *Higher Education Assistance*.—Provide an additional $125,000 in basic college tuition support to partner with the Tribe to assist the 24 tribal members currently enrolled in higher education and the 50 who are prepared to enroll.

— *Tribal Court Funding*.—Support funding through BIA for Tribal Courts, as authorized under the Indian Tribal Justice Act of 1993.

— *Tribal Detention Personnel*.—Support the $5 million requested within BIA Law Enforcement for tribal detention personnel.

POINT NO POINT TREATY COUNCIL WILDLIFE PROGRAM

The work of the Point No Point Treaty Council Wildlife Program and its coordination with Washington State has saved the elk population of the eastern Olympic Mountains from the brink of extinction. The Tribes have put their wildlife efforts into co-management rather than costly litigation. This work cannot continue to be effective without a minimum level of base funding.

The Wildlife Program has been funded since 1993 by a combination of grants. However, this source of funding has dwindled precipitously, and it is impossible to effectively co-manage with our partner, the State of Washington, without a perma-

nent source of program funding. We support funding for this crucial program in the amount of $300,000.

Subsistence hunting of wild game provides an essential food source for our tribal people. The Tribes are committed to responsible wildlife management based on biology. Our program has conducted extensive surveys and shared all our data with Washington State and other Olympic Peninsula tribes. As a result of our surveys, elk are for the first time being managed by both the State and Tribes from hard biological data.

Elk in the east Olympics had declined to such low levels that all hunting had to be eliminated for several years. It was only through a remarkable cooperative effort between our tribal Wildlife Program and Washington State that we were able to rebuild the herds, through a combination of relocating elk, habitat enhancement and habitat protection. Finally in 1997 we were able to reopen a limited hunt for both state hunters and our people.

The Wildlife Program, serving the four Point No Point Treaty Tribes (Skokomish, Lower Elwha S'Klallam, Jamestown S'Klallam and Port Gamble S'Klallam), has become the premiere tribal wildlife program in western Washington, and has been critical in achieving cooperation between our Tribes and the State. It has provided the needed biological data, and coordination and facilitation to resolve state-tribal and inter-tribal disputes over wildlife management on the Olympic Peninsula.

PROTECTION OF RESERVATION LAND AND WATER FROM LANDFILL CONTAMINATION

Kitsap County sited the 60-acre Hansville Landfill uphill from the Port Gamble S'Klallam Reservation in 1962. Three separate disposal areas were formerly operated within the Landfill property: a municipal solid waste disposal area, a demolition disposal which accepted construction, demolition, and land clearing wastes; and a septage lagoon which accepted residential septic tank human waste. The Hansville Landfill was closed in 1990.

For nearly 40 years, virtually all of the leachate from the Landfill, which contains hazardous chemicals, has flowed directly into the Reservation groundwater and soils, potentially impacting the Tribe's drinking water, as well as our shellfish and the salmon reared in the reservation hatchery, both of which are crucial to the tribal diet and economy.

In fiscal year 2001, we were fortunate to receive $94,000 from the BIA's Office of Trust Responsibilities to assist with our initial efforts to monitor the groundwater.

In fiscal year 2002, $100,000 funding is needed to continue activities related to assessment and cleanup of the landfill site, including the following:

—Coordination of the project between tribal staff, technical consultants, analytical laboratories, and the various agencies involved with the Landfill.

—Technical review of the Remedial Investigation/Feasibility Study (RI/FS) to strengthen the Tribe's ability to protect the reservation land and drinking water supply. Washington State Department of Ecology is directing this work which will be conducted by Kitsap County.

—Investigation of impacts to ground water, surface water, sediments, wetlands, shellfish, and other tribal natural resources that were not incorporated or insufficiently addressed in the RI/FS for the Landfill. A report will be developed with the results of sample collection, laboratory analysis of contaminants, and comparison to cleanup standards.

—Development of alternatives for remediation based on the results of the above investigations.

—Assessment of potential risks to tribal members from contaminant releases associated with the landfill, in coordination with the Environmental Protection Agency. EPA will assist in conducting a risk assessment for the Tribe, including an evaluation of the risks from arsenic exposure.

—Preparation of an issue paper for tribal discussion to evaluate and make recommendations for future monitoring and maintenance.

HIGHER EDUCATION ASSISTANCE

Prior to self-governance, we are aware of only 3 Port Gamble S'Klallam members who graduated from college. BIA funding for higher education is so meager that the Tribe must rely on its own limited resources to fund the 24 students enrolled in college each year. The Tribe receives only $28,733 per year in TPA funding to provide college tuition assistance to its membership (less than $1,200 for each student). Since 1993, the Tribe has assisted 11 members to receive their Bachelor of Arts degrees, including two who received their teaching certificates and are teaching in our

local school district. We are currently unable to fund requests by tribal members to attend graduate school.

The Tribe requests an additional $125,000 in basic college tuition support to partner with the Tribe to assist the 24 tribal members currently enrolled in higher education and the 50 who are prepared to enroll.

TRIBAL COURT FUNDING.

The Port Gamble S'Klallam Tribe operates a tribal court, which hears and decides cases in a full range of criminal and civil subject matters. Our judicial system works in concert with federal, state and tribal law enforcement to address the inter-jurisdictional problems associated with enforcement of child abuse, drug crimes, and child support on the Reservation. Congress funds these activities for $37,000 per year. This level of funding for a full service court is unacceptable.

We urge this Subcommittee to provide fiscal year 2002 funding pursuant to the Indian Tribal Justice Act of 1993 (Public Law 103–176) to provide a reasonable level of basic funding for tribal judicial systems. The Act was reauthorized by the 106th Congress through fiscal year 2007. No funding has ever been appropriated to provide financial and technical assistance for the development and enhancement of tribal judicial systems.

We are pleased that the fiscal year 2002 budget request includes $1.5 million within the Tribal Priority Allocations account for tribal courts, as initial funding pursuant to the Indian Tribal Justice Act. We urge this Subcommittee's favorable consideration of funding to BIA for Tribal Courts under the Act, even if at this modest proposed level.

TRIBAL DETENTION PERSONNEL

Within the BIA's Special Programs and Pooled Overhead account, the fiscal year 2002 budget request includes $5 million within Law Enforcement for the hiring of additional personnel to staff new tribal detention programs. The Port Gamble S'Klallam Tribe strongly supports this requested increase, and urges this Subcommittee's support for these needed dollars. We are also aware that in fiscal year 2001, Congress directed to Bureau of Indian Affairs to prepare an assessment of the need to construct a juvenile detention facility for Indian youth in the Pacific Northwest. We have been exploring the idea of an adult detention facility which would serve six area tribes, and support the consideration of a regional, Northwest juvenile facility.

Our Law Enforcement personnel must make a nine-hour drive to book offenders into the nearest tribal juvenile detention facility, and it is three hours roundtrip to the nearest tribal adult detention facility. This severely taxes our law enforcement resources, which are already stretched in order to provide adequate patrol coverage to the reservation.

Thank you for this opportunity to submit this testimony on fiscal year 2002 funding for tribal programs in the BIA and IHS. We appreciate this Subcommittee's consideration of these requests of the Port Gamble S'Klallam Tribe.

PREPARED STATEMENT OF THE HOOPA VALLEY TRIBE OF CALIFORNIA

On behalf of the Hoopa Valley Tribe of California, I appreciate the opportunity to present testimony regarding the fiscal year 2002 budgets for the Bureau of Indian Affairs, Indian Health Service and the U.S. Fish and Wildlife Service. A summary of my testimony is as follows:

Tribal specific priorities:

1. Provide an additional $1,328,000 in the BIA Forestry budget for the Tribe.
2. Provide an additional $487,000 in the Tribe's BIA Road Maintenance budget.
3. Provide an additional $120,000 in the BIA Real Estate Services for Tribal activities.
4. Provide an additional $150,000 in the BIA Environmental Services budget for the Tribe.
5. Provide $35,000 in the BIA Aid To Tribal Government budget for Tribal Radio Station.
6. Provide $400,000 in the BIA Endangered Species budget for implementation purposes.
7. Provide $4.5 million in the USFWS budget for Klamath and Trinity River activities.

Self-governance and national priorities:

1. Restore $256,000 and request for a $100,000 increase to the DOI Office of Self-Governance for the Self-Governance Communication and Education Project and the Tribal Self-Governance Advisory Committee;
2. Provide increase for BIA and IHS to fully fund Contract Support Cost (CSC) to address documented Tribal needs;
3. Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;
4. Provide $325,000,000 increase for IHS unfunded mandatory, medical inflation, pay costs and population growth needed to maintain existing health care services;
5. +$5 million in the IHS Division of Clinical and Preventive Services to support Oral Health Initiative; and,
6. Support all requests and recommendations of the National Congress of American Indians.

Tribal specific priorities: BIA Forestry budget request—$1,328,000

As a demonstration of the Tribe's belief that prudent sustainable forest management goes hand and hand with timber production, beginning in 1994, we developed a forest management plan that has since been certified by SmartWood, a third party certification organization that is dedicated to managing the forest for sustainability. Today, we are the only landowner in the nation that manages a large tract of old-growth forest that is certified by SmartWood. Additionally, we are the only Tribe in the United States to have an approved programmatic consultation in place with the U.S. Fish and Wildlife Service for endangered species act (ESA) compliance with Section 7 consultations. A major part of our effort has been to rehabilitate the damaged portions of our forests that were previously managed by the BIA, such as fixing poorly constructed and failing roads, properly stocking large clearcut plantations, and repairing degraded fisheries habitat.

A BIA report completed a few years ago identified the Hoopa BIA forestry budget as the lowest funded in the nation. Since assuming this program in 1990, we have identified a need for funding increases in the following BIA programs at Hoopa:

—$319,000 annually for forest development work—a 36 percent increase over the present to improve degraded conifer plantations.
—$228,000 annually for forest program management—a 41 percent increase over the present.
—$194,000 annually for forest inventories and plans—not currently funded to pay for federal mandates such as NEPA compliance.
—$125,000 annually for research analysis of the forest management plan on the effectiveness implementation monitoring.
—$556,000 for ESA compliance, and Recovery and Prevention for Terrestrial Species—a 37 percent increase over the present.
—$125,000 annually for vegetation treatment for fire prevention and habitat maintenance on lower elevation forests.
—$65,000 appropriation for control of Bears that are destroying conifer plantations, which the Tribe has invested large amounts of money into improving forest health and wildlife habitat.

The Indian Forest Management Assessment Team (IFMAT) report, developed in 1994 by a third party assessment team of professionals, also substantiates many of the above requests for the BIA's programs. We request that $1,328,000 be provided in the BIA Forestry Budget.

Tribal Roads Maintenance program—$487,000

The Hoopa Valley Tribe contracted for the Bureau of Indian Affairs' Road Maintenance program in 1990. Under the Self-Governance program the Hoopa Valley Tribal Roads Department is responsible for BIA road maintenance on approximately 108 miles of former Bureau system roads. Additionally, the Tribe maintains approximately 356 miles of Tribal roads within the Hoopa Reservation.

The Roads Program currently receives approximately 30 percent of the identified need. Based on the past expenditures, it is estimated that approximately $600,000.00 is currently needed annually to meet the BIA requirements for maintenance needs on BIA roads within the Hoopa Reservation. Since assuming the maintenance program in 1990, the Hoopa Tribe has supplemented the BIA's Roads program by adding approximately $1.5 million dollars of our own Tribal funds to carry our these responsibilities.

Since 1994, the Tribe has been successful in receiving road construction and/or reconstruction dollars through the Department of Transportation, Federal Highway Department (ISTEA). Although the road construction/reconstruction dollars provide much needed improvement to the Hoopa Reservation, it also acts as a double-bladed

sword since, due to the lack of both maintenance dollars and pavement maintenance equipment, these newly constructed roads are destined to deteriorate as well.

Since the Tribe assumed the road maintenance program, there are two major concerns affecting this program; namely, lack of adequate funding to support even minimal maintenance requirements and the total lack of funding to acquire and provide upkeep on road maintenance equipment. The current BIA funding level allows maintenance on only 25 miles, which we have dedicate to maintaining school bus routes. It has become quite evident that many miles of Bureau system roads will need to be reconstructed at a higher cost in the future due to the fact that they are not presently being properly maintained.

The need for road maintenance equipment cannot be overemphasized. To consistently and safely maintain Bureau system roads, road maintenance type equipment is critically needed. The Tribe is using their equipment where appropriate, but still fails to meet today's demands. The Hoopa Tribe has supported this program both with funding and equipment which severely limits the Tribe's ability to utilize their own equipment for other Tribal needs or opportunities. Also, major capitalization of equipment needs to be addressed as older BIA equipment becomes unserviceable and needs to be replaced. The last equipment acquisition by the BIA was in 1977, and this was limited to three pieces. Therefore, we are requesting that $487,000 be added to the BIA Road Maintenance Program budget for the Tribe to help fulfill this federal obligation.

Real estate services—$120,000

The BIA's budget for handling trust land transactions in the Sacramento Area Office is woefully under the needed funding levels. The processing of land leases, fee-to-trust conveyances and other key realty functions is handled statewide by two realty officers in the Area Office. As a consequence, the Area Office has a backlog in nearly every realty category for which the BIA is responsible. For example, there are presently backlogs of over 500 probates, approximately 200 fee-to-trust transactions, and virtually no lease compliance activities being carried out at all. We requests that the Subcommittee provide $120,000 in the BIA Real Estate Services budget for the Tribe's program and that a general increase be provided to the BIA Real Estate Services budget.

Environmental services—$150,000

The BIA's national budget in fiscal year 1998 was $11 million dollars for Environmental Services. This level of funding is extremely inadequate given the number of BIA contaminated sites nation-wide. For example, in Navajo alone over 400 landfills require closure under the Indian Lands Open Dump Cleanup Act. The Bureau is responsible for over sixty-six Resource Conservation and Recovery Act (RCRA) facilities in California. These facilities range from underground storage tanks to storage facilities that contained pesticides and other RCRA regulated facilities. Nation-wide, the BIA has environmental cleanup liability that would cost over $100,000,000 ranging from lead abatement in buildings to sites listed under Superfund. We request that the Subcommittee provide an additional $150,000 for the Tribe's Environmental Services program to help address these problems on our Reservation.

Aid to tribal government—$35,000

Hoopa Tribal Radio, KIDE–FM is the only FCC licensed community radio station in California. We operate at 195 watts of effective radiate power. Our signal strength is limited because of the surrounding mountains. Our broadcast tower, located on the valley floor is 1,550 below the height of the average terrain. If we relocated the tower to a nearby mountain we could boost our power output, expand our broadcast coverage range and provide the Eastern Humboldt County a broadcast tower location suitable for cellular telephone and other emergency broadcast relay services. The cost of relocating the tower and purchasing the additional broadcast equipment is $35,000.

BIA Endangered Species Act activities—$400,000

The Hoopa Valley Tribe is requesting an increase of its base for the Fisheries and Water Management Program to meet two contemporary challenges to the protection of Tribal Trust resources. First, On the Trinity River, the Tribe concurred and was signatory to the Secretary's Record of Decision (Public Law 102–575, Section 3406(b)(23)). The ROD has been challenged in federal court; *Westlands* v. *U.S. Department of the Interior et al.* The Tribe has intervened in the case and is supporting the government's case in the matter. It is expected that the case will result in a substantial cost to the Tribe. Additionally, regulatory burdens with regard to Endangered Species Act have increased in recent years due to listing of coho salmon in Klamath Basin (May 1997 listing of SONCC ESU), which has resulted in in-

creased activity by the Fishery Program to meet legal requirements. Therefore, the Tribe is requesting $400,000 for fiscal year 2002.

U.S. Fish and Wildlife Service—Klamath and Trinity Rivers—$4.5 MILLION

The Hoopa Valley Tribe supports the Agency's request for full funding for completion of the Klamath River Flow Evaluation. This five-year evaluation is fundamental to balancing competing demands for water within the Klamath River of southern Oregon and northern California. This study is expected to cost $22M over five years.

The 2001 water year has been declared the driest year on record in the Klamath Basin. For this year, the interim water operations plan being implemented by DOI has prioritized protection for two federal ESA listed species in the Basin; coho salmon and endemic sucker fish. In nearly every year, these listed species have been compromised, primarily because there has not been consistent operating plan for Klamath Project. Completion of this flow evaluation will provide the necessary scientific guidance for the development of a long-range water operations plan.

On the Trinity River, the Tribe concurred and was signatory to the Secretary's Record of Decision (Public Law 102–575, Section 3406(b)(23)). The ROD incorporates flow and active main-stem channel restoration administered by an Adaptive Management Program. These requested funds are necessary to supplement additional appropriation requests within the Energy and Water Appropriations Bill. Several activities must be completed in 2002, the second year of ROD implementation. These activities include fisheries and habitat monitoring and mainstream restoration targeting completion of 50 percent of the site work identified in the ROD.

We request that $6.5 million be provided in the USFWS budget for the Klamath and Trinity Rivers.

In closing, I appreciate the opportunity to provide this written statement on behalf of my Tribe. Please contact me at 530–625–4211, if you have questions. Thank You.

PREPARED STATEMENT OF PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM

Chairman Burns and members of the subcommittee: The Partnership for the National Trails System appreciates your support over the past several years, through operations funding and earmarked Challenge Cost Share funds, for the national scenic and historic trails administered by the National Park Service. We are very thankful for the $975,000 increase in funding you provided for nine of these trails in fiscal year 2001. We also appreciate your increased allocation of funds to support the trails administered and managed by the Forest Service. To continue the progress that you have fostered, the Partnership requests that you provide annual operations funding for each of the 22 national scenic and historic trails for fiscal year 2002 through these appropriations:

—*National Park Service*.—$8.373 million for the administration of 17 trails and for coordination of the long-distance trails program by the Washington Park Service office.

—*USDA Forest Service*.—$2.875 million to administer four trails and $650,000 for portions of 13 trails managed through agreements with the Park Service and Bureau of Land Management; $1.5 million for Continental Divide Trail construction and $500,000 for Florida Trail construction.

—*Bureau of Land Management*.—$270,000 to administer the Iditarod National Historic Trail, $600,000 to administer the new Camino Real de Tierra Adentro National Historic Trail, and $4.79 million for the portions of 9 trails managed through agreements with the Park Service and Forest Service; $385,000 for the Iditarod Trail interpretive center feasibility study.

—We ask that you appropriate $5 million for the National Park Service Challenge Cost Share Program and continue to earmark $3 million for Lewis & Clark Bicentennial projects and one-third of the remaining $2 million (approximately $650,000) for the other 16 national scenic and historic trails it administers.

—We ask that you appropriate $2 million to the National Park Service National Center for Recreation and Conservation to support an interagency pilot project to develop a consistent system-wide Geographic Information System (GIS) for the National Trails System.

—We ask that you appropriate from the Land and Water Conservation Fund $5 million for acquisition of lands by the United States Forest Service to protect the scenic quality and continuity of the Pacific Crest National Scenic Trail, $4 million for acquisition of land for the Florida National Scenic Trail, $4 million for acquisition of land for the Appalachian National Scenic Trail in Tennessee,

$1 million for acquisition of lands by the Bureau of Land Management to protect the scenic quality of the Pacific Crest National Scenic Trail, and to the National Park Service, $2.5 million to acquire land for the authorized interpretive site for the Ice Age National Scenic Trail and $1.5 million to acquire land in Utah for the California and Pony Express Trails.

—We ask that you appropriate from the Land and Water Conservation Fund $4.5 million to the State of Wisconsin to match state funds for acquisition of land for the Ice Age National Scenic Trail.

The $2 million we request will fund the first year of a 5 year interagency effort to develop a consistent GIS for all 22 national scenic and historic trails. This pilot project will build upon work already underway on the Ice Age, Appalachian, Florida, Oregon, California, Mormon Pioneer and Pony Express Trails to develop consistent information and procedures that can be applied across the National Trails System. The consistency of the system will allow trail managers and users to share reliable information across the country.

Of the $8.373 million we request for the National Park Service, $2.097 million will continue the progress and new initiatives made possible by the $975,000 funding increase provided for nine of the trails in fiscal year 2001. $125,000 of our requested increase will finally provide significant operational support for the Natchez Trace Trail, which currently receives only $26,000 in annual operations funding. Another $250,000 will enable the Park Service to begin managing the two new national historic trails—Ala Kahakai and El Camino Real de Tierra Adentro—authorized by the 106th Congress, the latter administered jointly with the Bureau of Land Management. These funds will provide full-time management and support projects for each of these trails.

The additional funds provided in fiscal year 2001 will enable the Park Service to provide a full-time administrator for the Overmountain Victory Trail and the Overmountain Victory Trail Association to begin the first comprehensive survey of historically significant sites along the trail and plan for their preservation. The new funds have strengthened Park Service efforts to protect cultural landscapes and provide additional interpretive exhibits along the Santa Fe Trail and have helped support 17 local initiatives along the Potomac Heritage Trail, including an interpretive prospectus and a study of the trail corridor in Washington, D.C. We request an increase of $288,000 for fiscal year 2002 to continue and expand upon the new initiatives for these three trails. We also request an increase of $113,000 to expand cooperative interpretation with schools and Latino communities along the Juan Bautista de Anza Trail and an increase of $101,000 for the Trail of Tears to enable the Park Service to better support cooperative work with the Trail of Tears Association to protect critical historical and cultural heritage sites along the Trail.

The $660,000 increase we request for the interagency Salt Lake City Trails office will enable the Park Service to better support collaborative management with the Bureau of Land Management and the Forest Service of four national historic trails that stretch 11,000 miles and extend across 11 states. With these funds the three agencies, working closely with citizen organizations, will revise the feasibility studies for the Oregon and California Trails, produce trail map brochures for the California and Pony Express Trails, and expand the GIS for all four trails. Another collaborative project, involving state departments of transportation, will continue to mark the auto tour routes for all four trails across 11 states.

All of these trails are complicated undertakings, none more so than the 4,000 mile North Country Trail. With more than 600 miles of Trail across 7 national forests in 5 states there is good reason for close collaboration between the Park Service and Forest Service to ensure consistent management that provides high quality experiences for hikers. Limited budgets for both agencies have severely hampered their ability to practice this effective management procedure. The $718,000 we request will give them that ability for the first time while also providing greater support for the trail building led by the North Country Trail Association, hastening the day when our nation's longest national scenic trail will be fully opened for use.

The Ice Age Park & Trail Foundation has pioneered in using a Geographic Information System (GIS) to map and record the many natural and cultural resources comprising the 1200 mile Ice Age Trail. This work has been supported by private and Park Service funding and equipment and office space provided by the Wisconsin Department of Natural Resources. The $761,000 we request will enable the Park Service to expand this GIS capability to more efficiently plan resource protection, trail construction and maintenance to correct unsafe conditions and better mark the Trail for users. The funds will also provide assistance to the Foundation to better equip, train and support the volunteers who build and maintain the Ice Age Trail and manage its resources.

It is equally important that the national scenic and historic trails administered or managed by the United States Forest Service and the Bureau of Land Management receive budgetary recognition as America's Congressionally designated premier trails. Annual operations funding for these trails distinct from the general recreation program appropriations for these two agencies is essential to insure that they receive appropriate priority in annual work plans. The six trails administered by the Forest Service and Bureau of Land Management should be treated as distinct units within those agencies' land management systems and receive appropriate supervision. We ask that you provide the funding and direction to do so.

As you have done for several years, we ask that you provide additional operations funding to the Forest Service for administering three national scenic trails and one national historic trail, and managing parts of 13 other trails. We ask you to appropriate $2.875 million as a separate budgetary item specifically for the Continental Divide, Florida and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail. Recognizing the on-the-ground management responsibility the Forest Service has for 838 miles of the Appalachian Trail, more than 600 miles of the North Country Trail, and sections of the Ice Age, Anza, Lewis & Clark, California, Iditarod, Mormon Pioneer, Oregon, Overmountain Victory, Pony Express, Trail of Tears and Santa Fe Trails, we ask you to appropriate $650,000 specifically for these trails.

Work is underway, supported by funds you provided for the past three years, to close several major gaps in the Florida National Scenic Trail. The Florida Trail Association is now building Trail across Eglin Air Force Base in the Ocala National Forest and along the Suwannee River, adding about 100 miles to the completed Florida Trail. The Partnership requests that you provide the Forest Service with an additional $500,000 for fiscal year 2002 for trail construction on these and other segments of the Florida Trail and an additional $500,000 to support a land acquisition team to begin purchasing land to close gaps in the Trail.

The Continental Divide Trail Alliance, with Forest Service assistance and funding from the outdoor recreation industry, surveyed the entire 3,200 mile route of the Continental Divide Trail documenting $10.3 million of construction projects needed to complete the Trail. To continue new trail construction, begun with fiscal year 1998 funding, we ask that you appropriate $750,000 to plan 211 miles of new trail and $1.5 million to build or reconstruct 200 miles of the Continental Divide Trail in fiscal year 2002.

Funds that you provided for fiscal year 2001 are supporting the first full-time cross-regional Forest Service Trail Administrator to manage the 2,650 mile Pacific Crest Trail in a consistent manner across and near 24 national forests, six national parks, four Bureau of Land Management resource areas and several state and county parks. With funding provided the past two years, a Forest Service lands team is working with the Pacific Crest Trail Association and the Park Service National Trail Land Resources Program Center to map and acquire better routes for the 300 miles of the PCT located on 227 narrow easements across private land or on the edge of dangerous highways. We request $920,000 for fiscal year 2002 for the Forest Service to continue these improvements in the Pacific Crest Trail in collaboration with the Pacific Crest Trail Association.

While the Bureau of Land Management has administrative authority only for the Iditarod and El Camino Real de Tierra Adentro National Historic Trails, it has on-the-ground management responsibility for 641 miles of two scenic trails and 3,115 miles of seven historic trails administered by the National Park Service and U.S. Forest Service. With recognition of the significance of these trails as part of the National Landscape Conservation System, the Bureau of Land Management budget now includes funding specifically for these trails. We ask that you appropriate for fiscal year 2002 earmarked as a separate budgetary item $270,000 for the Iditarod National Historic Trail, $600,000 for El Camino Real de Tierra Adentro National Historic Trail and $4,792,000 for management of the portions of the nine other trails under the care of the Bureau of Land Management.

The essential funding requests to support the trails are detailed in Attachment 2.

The Partnership requests that you appropriate from the Land and Water Conservation Fund $5 million for acquisition of lands by the United States Forest Service to protect the scenic quality and continuity of the Pacific Crest National Scenic Trail, $4 million to connect sections of the Florida National Scenic Trail on the national forests in Florida and St. Marks Wildlife Refuge, and $4 million to acquire part of the Rocky Point Tract in Tennessee for the Appalachian National Scenic Trail. We also request $1 million for the Bureau of Land Management to acquire lands to protect the scenic quality of the Pacific Crest National Scenic Trail in California, and for the National Park Service $2.5 million to acquire land for the author-

ized interpretive site for the Ice Age National Scenic Trail, and $1.5 million to preserve the Dixie Hollow Pony Express Station site and California National Historic Trail emigrant camp site in Utah.

The National Trails System Act encourages states to assist in the conservation of the resources and development of the national scenic and historic trails. Florida and Wisconsin have committed millions of dollars to help conserve the resources of the Florida and Ice Age National Scenic Trails, respectively. The Partnership asks that you provide a grant of $4.5 Million from the Land and Water Conservation Fund to assist and encourage Wisconsin in acquiring land for the Ice Age Trail.

Public-spirited partnerships between private citizens and public agencies have been a hallmark of the National Trails System since its inception. These partnerships create the enduring strength of the Trails System and the trail communities that sustain it by combining the local, grass-roots energy and responsiveness of volunteers with the responsible continuity of public agencies. They also provide a way to enlist private financial support for public projects, usually resulting in a greater than equal match of funds.

The commitment of the private trail organizations toward the success of these partnerships as the means for making these trails grows even as Congress' support for the trails has grown. In 2000 the trail organizations channeled 593,392 hours of documented volunteer labor valued at $8,799,993 to help sustain the national scenic and historic trails. This is a 9 percent increase over the volunteer labor reported for 1999. The organizations also directly applied private sector contributions of $6,638,313 to benefit the trails, an increase of $857,973 over the money contributed in 1999. These contributions are documented in Attachment 1.

The earmarked Challenge Cost Share funds have significantly increased the activity along the trails administered by the National Park Service. For fiscal year 1999 14 of the 15 trails have reported using $640,790 provided by Congress to fund 72 projects with a total value of $1,810,670. The $1,169,880 provided by trail organizations and state and local government agencies to support these projects represents a 1.8:1 match to the Federal investment.

The Challenge Cost Share approach is one of the most effective and efficient ways for Federal agencies to accomplish a wide array of projects for public benefit while also sustaining partnerships involving countless private citizens in doing public service work. The Partnership requests that you appropriate $5 million in Challenge Cost Share funding for fiscal year 2002 as a wise investment of public money that will generate public benefits many times greater than the appropriation made. We ask that you continue to direct a portion of those funds specifically toward the national scenic and historic trails to continue the steady progress underway to make these trails fully available for public enjoyment.

Attachment #1
May 4, 2001

**CONTRIBUTIONS MADE IN 2000
TO SUPPORT THE NATIONAL TRAILS SYSTEM
BY NATIONAL SCENIC AND HISTORIC TRAIL ORGANIZATIONS**

ORGANIZATION	VOLUNTEER HOURS	ESTIMATED VALUE OF VOLUNTEER LABOR	FINANCIAL CONTRIBUTIONS
Appalachian Trail Conference	201,466	$2,987,740	$3,850,500
Continental Divide Trail Society	1,500*	$22,245	
Continental Divide Trail Alliance	35,430*	$525,426	$464,505
Florida Trail Association	46,991	$696,876	$136,000
Ice Age Park & Trail Foundation	60,320	$894,590	$548,780
Iditarod Trail Committee	17,000*	$252,110	$75,000*
Heritage Trails/Amigos De Anza Juan Bautista De Anza Trail	2,103	$ 31,187	
Anza Trail Coalition of Arizona	3,035	$45,009	
Lewis & Clark Trail Heritage Foundation	14,811	$219,647	$261,240
Mormon Trails Association	4,540*	$67,328	$3,300*
Iowa Mormon Trails Association	1,912	$28,354	$4,000
Natchez Trace Trail Conference	3,032	$44,964	$3,300*
National Pony Express Association	25,012	$370,927	$75,360
Pony Express Trail Association	2,880	$42,710	$26,494
Nez Perce Trail Foundation	4,188**	$62,108	$4,107
North Country Trail Association	18,991	$281,636	$154,459
Oregon-California Trails Association	56,390	$836,263	$240,090
Overmountain Victory Trail Association	9,262	$137,355	$3,329
Pacific Crest Trail Association	21,330	$316,323	$334,074
Potomac Heritage Partnership	4,990	$74,001	$230,000
Potomac Trail Council	2,000*	$29,660	$100,000
Santa Fe Trail Association	17,100*	$253,593	$64,000
Trail of Tears Association	39,106	$579,941	$59,775
TOTALS	**593,392 hrs**	**$8,799,993**	**$6,638,313**

* estimate

** Includes hours contributed by partner organizations to the NPNHTF

PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM
REQUESTED FISCAL YEAR 2002 APPROPRIATIONS FOR THE NATIONAL TRAILS SYSTEM

Attachment # 2
May 4, 2001

AGENCY/TRAIL	FY01 CONG. APPROP.	FY02 ADMIN. REQUEST	FY02 PARTNERS REQUEST	PROJECT/PROGRAMS POSSIBLE WITH INCREASED FUNDING
PARK SERVICE				
Ala Kahakai			$ 150,000	Begin preparation of Comprehensive Management Plan for new trail;
Appalachian	$ 893,000	$ 1,044,000	$ 1,044,000	Increased law enforcement and resource management by NPS Park staff and increased support for volunteer-based trail and land management guided by ATC;
Natchez Trace	$ 26,000	$ 26,000	$ 151,000	Planning, guidance & support for trail development projects with NTTC;
El Camino Real			$ 100,000	Begin collaborative management of new trail with Bureau of Land Management
California	$ 201,000	$ 201,000	$ 364,000	Four Trails interagency MOU collaboration field trial; Enhance Four Trails GIS database; Interpret additional auto tour routes;
Ice Age	$ 494,000	$ 501,000	$ 761,000	Trail corridor and acquisition planning and GIS mapping; Support for Trail construction, maintenance and resource management by IAP&TF & local agencies;
Juan Bautista de Anza	$ 187,000	$ 188,000	$ 300,000	Coordination of Trail site protection, interpretation & development projects with local agencies & organizations; Outreach to schools and Latino communities;
Lewis & Clark	$ 1,729,000	$ 1,732,000	$ 1,732,000	Planning, coordination & support for local Bicentennial projects and "Corps II";
Mormon Pioneer	$ 128,000	$ 128,000	$ 291,000	Four Trails interagency MOU collaboration field trial; Enhance Four Trails GIS database; Interpret additional auto tour routes;
North Country	$ 400,000	$ 400,000	$ 718,000	Management consistency through closer collaboration with Forest Service; Trail route planning and mapping; Increased trail construction & maintenance by NCTA;
Oregon	$ 213,000	$ 216,000	$ 375,000	Four Trails interagency MOU collaboration field trial; Enhance Four Trails GIS database; Interpret additional auto tour routes;
Overmountain Victory	$ 136,000	$ 136,000	$ 278,000	Fulltime trail administration; new route signs and interpretive exhibits; Trail site protection inventory and archaeology in Cherokee County, North Carolina;
Pony Express	$ 181,000	$ 181,000	$ 353,000	Four Trails interagency MOU collaboration field trial; Enhance Four Trails GIS database; Interpret additional auto tour routes;
Potomac Heritage	$ 200,000	$ 200,000	$ 250,000	Assistance to local agencies & organizations for planning &educational projects;
Santa Fe	$ 581,000[1]	$ 593,000	$ 677,000	Coordinate cultural resource management and design interpretive media program;
Selma to Montgomery	$ 260,000	$ 262,000	$ 262,000	Comprehensive management plan developed and trail interpretation begun in collaboration with citizen support organizations & local agencies;
Trail of Tears	$ 248,000	$ 248,000	$ 349,000	Increased support for protection & interpretation of critical Trail sites with TOTA
NTS-Washington Office	$ 218,000	$ 220,000	$ 220,000	Program coordination and special projects funding
National Trails System	**$ 6,095,000**	**$ 6,276,000**	**$ 8,373,000**	**Total National Trails System operations funding**
Challenge Cost Share	$ 4,991,000[2]	$ 4,991,000[3]	$5,000,000	$3 M for Lewis & Clark; 1/3 of remaining $2 M for rest of National Trails System
Interagency GIS Pilot Project	$ 00,000[4]		$2,000,000	Development of GIS for National Trails System starting with Ice Age, Florida, Appalachian, Oregon-California, Mormon Pioneer & Pony Express Trails;

AGENCY/TRAIL	FY01 CONG. APPROP.	FY02 ADMIN. REQUEST	FY02 PARTNERS REQUEST	PROJECT/PROGRAMS POSSIBLE WITH INCREASED FUNDING
BLM				
Iditarod Trail	$ 75,000	$ 270,000	$ 270,000	Coordination and support for collaborative management with other Federal agencies, Iditarod Trail organizations and State of Alaska; bridges and cabins;
El Camino Real	$ 178,000	$ 600,000	$ 600,000	Visitor Center operations and collaborative management of new trail with National Park Service;
Continental Divide	$ 40,000	$ 425,000	$ 425,000	Marking 230 miles of CDT in Wyoming; Interagency management collaboration;
Pacific Crest		$ 105,000	$ 105,000	PCT maintenance in California; Interagency management collaboration;
Juan Bautista de Anza		$ 110,000	$ 110,000	Interpretive exhibits for Anza Trail at Painted Rock, Arizona;
California	$ 40,000	$ 205,000	$ 205,000	California Trail resource inventories in Wyoming and California;
Lewis & Clark	$ 2,747,000	$ 2,747,000	$ 2,747,000	Lewis & Clark Bicentennial preparations in Idaho and Montana;
Mormon Pioneer	$ 40,000	$ 135,000	$ 135,000	
Nez Perce		$ 90,000	$ 90,000	Lewis & Clark Bicentennial preparations in Idaho and Montana;
Oregon	$ 40,000	$ 890,000	$ 890,000	Visitor Center operations and Interagency management collaboration;
Pony Express	$ 40,000	$ 85,000	$ 85,000	Archaeology at Little Sandy and Dry Sandy Pony Express Stations, Wyoming and marking 120 miles of Pony Express Trail in Nevada;
National Trails System	**$ 3,200,000[3]**	**$ 5,662,000**	**$ 5,662,000**	**Total National Trails System operations funding**
Iditarod Trail	$ 0	$	$ 385,000	Feasibility study for Iditarod Trail Interpretive/visitor Center

AGENCY/TRAIL	FY01 CONG. APPROP	FY02 ADMIN. REQUEST	FY02 PARTNERS REQUEST	PROJECT/PROGRAMS POSSIBLE WITH INCREASED FUNDING
FOREST SERVICE				
Continental Divide Florida Pacific Crest Nez Perce Trails	$ 700,000 $ 350,000 $ 1,000,000[6]	$ 1,000,000	$ 1,000,000 $ 750,000 $ 920,000 $ 205,000 $2,875,000	Assumption of **full administrative responsibility** and leadership for consistent interagency collaboration for each trail; support for consistent management with trail organization and local agency partners; trail brochures, signs, project planning etc. $750,000 for planning new sections of CDT, $350,000 for full time Administrator & land acquisition team for PCT; $500,000 for land acquisition team for Florida Trail;
Appalachian, North Country, Ice Age, Iditarod , California, Juan Bautista de Anza, Lewis & Clark, Oregon, Mormon Pioneer, Overmountain Victory, Pony Express, Santa Fe, Trail of Tears	$ 350,000	$ 350,000	$ 650,000	**Improved trail maintenance**, marking, interpretation, archaeological studies, historic site protection and trailhead facilities for trail segments in National Forests; Liaison for collaborative management of North Country Trail with National Park Service;
Continental Divide Trail	$ 1,000,000	$	$ 1,500,000	**Trail construction** projects along the Continental Divide Trail;
Florida Trail	$ 500,000	$	$ 500,000	**Trail construction** projects in Eglin Air Force Base, Ocala National Forest, Cross Florida Greenway and along Suwannee River;
National Trails System	**$ 3,900,000**	**$ 1,350,000**	**$ 5,525,000**	**Total: National Trails System funding**
Nat. Forest System Trail Maintenance	$31,000,000			Trail maintenance throughout the National Forest System.
Nat. Forest System Trail Construction	$34,025,000			New trail construction and trail re-construction throughout the National Forest System.
Nat. Forest System Capital Improvement & Maintenance - Trails		$67,000,000	$100,000,000	Trail maintenance and new trail construction throughout the National Forest System.

LWCF FOR TRAILS	FY01 CONG. APPROP.	FY02 ADMIN. REQUEST	FY02 PARTNERS REQUEST	PROJECTS POSSIBLE WITH LWCF APPROPRIATION
LWCF grant Pacific Crest Trail	$ 3,000,000	$ 2,000,000	$ 5,000,000	USDA-Forest Service enabled to acquire lands in southern California, Oregon and southern Washington to preserve the continuity and scenic integrity of the Pacific Crest Trail;
LWCF grant Pacific Crest Trail	$ 00,000		$ 1,000,000	BLM enabled to acquire lands in California to preserve the continuity and scenic integrity of the Pacific Crest Trail;
LWCF grant Florida Trail	$ 5,000,000	$ 0	$ 4,000,000	USDA-Forest Service enabled to acquire lands to protect 23 miles of threatened Florida Trail corridor and connect trail segments across private land between National Forests, St. Marks Wildlife Refuge & Eglin Air Base;
LWCF grant Ice Age Trail - Wisconsin[7]	$ 00,000	$ 0	$ 4,500,000	Provide assistance to State of Wisconsin to protect threatened Ice Age Trail corridor and connect trail segments across private land in Dane, Chippewa Columbia, Polk, Portage, Washington and Waupaca Counties;
LWCF grant Ice Age Trail	$ 2,500,000		$ 2,500,000	NPS enabled to purchase site for interpretive center authorized for the Ice Age Trail;
LWCF grants Appalachian Trail	$ 4,700,000		$ 4,000,000	USDA-Forest Service enabled to buy part of Rocky Fork Tract in Tennessee
LWCF grants Lewis & Clark Trail	$ 5,000,000	$ 1,500,000	$ 00,000	USDA-Forest Service enabled to buy land in Idaho
LWCF grants California & Pony Express Trails	$ 1,800,000		$ 1,500,000	NPS enabled to buy land to protect Dixie Hollow Pony Express Station site and California Trail emigrant camp site and spring adjoining East Canyon State Park, Utah;
LWCF grant Potomac Heritage Trail	$ 1,000,000		$ 00,000	BLM enabled to buy land along lower Potomac River in Maryland
Total	**$ 23,000,000**	**$ 3,500,000**	**$22,500,000**	

1. Includes $261,000 for operations of Santa Fe Park Service office, not related to the Santa Fe Trail.

2 Includes a $3 million increase over FY00 funding earmarked for Lewis & Clark Bicentennial projects. One-third of the remaining funds (about $664,000 of $1.9 million) are earmarked for National Trails System projects.

3. Administration request does not allocate any funds for the National Trails System. The Congressional earmark is needed to accomplish this.

4. Congress tells NPS to report on progress of GIS development and future funding needed by January 31, 2001 and to request increased GIS funding for FY02.

5. Appropriation includes: $1,500,000 for projects related to the Lewis & Clark Bicentennial along the Upper Missouri Wild & Scenic River and other sites in Montana and as part of the "Public Land Treasures" program; $500,000 for the Lewis & Clark Trail in Idaho and $750,000 for the Lewis & Clark Trail in Montana and $250,000 unallocated for historic trails and scenic rivers.

6. Appropriation includes: $1 million for administration of the Continental Divide, Florida, and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail; $700,000 for planning new trail construction for the Continental Divide Trail; $350,000 to fund a full-time cross regional administrator and a land acquisition team for the Pacific Crest Trail.

7.This would be a grant to the State of Wisconsin to be matched at least 1:1.

PREPARED STATEMENT OF NFFE LOCAL 1957

NFFE Local 1957 represents 121 employees in the Minerals Information Team (MIT) Bargaining Unit of the U.S. Geological Survey (USGS). We are concerned that according to the proposed Administration budget for 2002, the $2 million reduction in the MIT budget will eliminate the core International Information function and harm members of the Minerals Information Team Bargaining Unit, as well as the Nation as a whole. The proposed cut, which represents 12.5 percent of the entire MIT budget, would compromise the mission of the MIT and would eliminate positions, most filled by experienced employees with unique expertise. We request that this letter be entered into the written record of the Subcommittee on Interior and Related Agencies, Committee on Appropriations.

MIT was transferred to the USGS under a Joint House-Senate Conference Amendment that provided for the minerals information activities formerly conducted by the U.S. Bureau of Mines (USBM) to be continued within the USGS at a prescribed $16 million level of funding. We have received no increases in funding in five years under this prescription and cannot understand how there can be decreases when Congress stated that this function should continue at this designated level of funding.

The Minerals Information Team's core mission is to collect, analyze, and disseminate information on the domestic and international supply and domestic consumption of minerals and materials that are essential to the U.S. economy and national security. MIT provides the information and analyses that are required to ensure that our Nation can have an adequate and dependable supply of minerals and materials to meet its defense and economic needs at acceptable environmental, energy, and economic costs. The USGS mineral commodity information is needed by the public and private sector to (1) better understand materials resource use and ultimate disposition to the economy; and (2) to develop public and private sector policies and practices that better utilize our material resources, including losses and disposals.

Under the Defense Production Act of 1950, as amended, the Secretary of the Interior has significant authority relating to the assurance of an adequate supply of mineral materials necessary for the national defense. The Act, as amended in 1980 (Oct. 21, 1980, Public Law 96–479) and 1992 (May 18, 1992, Public Law 102–285), specifically charges the Bureau of Mines with responsibility for economic and statistical analyses of international mineral supplies. The international information activities of the Minerals Information team transferred from the Bureau of Mines are essential to meeting this obligation. In a global economy, where the U.S. import dependence for most of our strategic and critical materials exceeds 50 percent, knowledge of international production capabilities and world demand patterns are essential to analyzing the adequacy of the domestic supply of materials for both strategic and commercial applications. Any national defense related increased mineral supply needs or disruptions necessitating supply expansions would require utilizing deposits in foreign countries for a significant number of strategic mineral commodities. In accordance with these responsibilities, MIT periodically provides the Institute for Defense Analysis, which is charged with determining defense stockpile needs, a country by country assessment of the global mineral supply and demand outlook for a number of strategic materials. Such knowledge is also essential to analyses of environmental regulation and domestic, economic, foreign, and trade policies relating to the minerals industries.

The ability to gather the requisite information to meet these needs would be severely compromised without the support of the International Minerals Section. Without the International Information section, there would be a critical gap in information regarding the supply of 75 percent of the non fuel mineral commodities consumed in the United States. For example, the United States is 100 percent import dependant for metallurgical-grade Bauxite, the raw material used to make aluminum, the backbone of our aerospace industry; and for primary tungsten, the material used to make cemented carbide cutting tools, electric filaments, and armor piercing munitions. China and Russia account for two-thirds of the U.S. supply of primary tungsten.

The International Information section of the USGS MIT provides information that is essential to understanding the minerals and fuel status of the United States in reference to other countries or regions. The objectives for the international information function are to collect, analyze, and disseminate data on more than 100 mineral commodities, including mineral fuels, in more than 180 different countries. To complement coverage of mineral production, information is also collected, analyzed, and disseminated on individual country mining, environmental, investment, trade and other laws that affect their minerals industry and trade with the United States. As

a major economic world power, it is essential for the United States to have a comprehensive understanding of world wide mineral commodity markets. The Department of Defense, the CIA, and the Department of State have relied increasingly on the USGS country specialists for global mineral-related policy analysis. Domestic agencies including the Bureau of Land Management, the U.S. Forest Service, the Department of Commerce, and the Federal Reserve Board, have relied on our supply analyses in making policy decisions.

While the $2 million budget line item has been specifically used to fund our international specialists and their activities, international activities is not a stand alone program, but one that is fully integrated into meeting MIT mission objectives. The international specialists serve a strong supportive role in the work performed by our Commodity Specialists who are responsible for analysis of the domestic supply and demand patterns. The International Specialists provide liaison to companies, organizations, international bodies, and U.S. Missions that supply data used for commodity analyses. The international specialists generate tabulations of world production and trade, as well as industry reconnaissance, that are directly incorporated into the work products of the commodity specialists. Their foreign language skills and insight into international economic and geopolitcal events are crucial in completing commodity specific supply demand analyes.

The ability of the MIT to meet its mission objectives has already been severely constrained by a limited budget. At the time of MIT's transfer to the USGS (fiscal year 1996), Congress designated that $16 million be transferred from the USBM's budget for MIT. In an interpretation of Congressional intent, the USGS has maintained that level of funding, except for a directed $400,000 increase in 1997, in each of 5 subsequent years. Increases proportional to USGS appropriations over the same period would have resulted in a MIT budget of more than $18 million. Although salary loads, rent, and other assessments have increased, corresponding increases have not been allocated to MIT. The impact has been a significant effective reduction of budget resources available for program development, contracting, and/or capital investment. These constraints have led to lower staffing levels and strained MIT's capabilities to complete even its core publication mission, let alone initiate new projects. Without the International Information function there would be a critical gap in the information concerning the supply of 75 percent of the mineral commodities consumed within the United States.

In conclusion, I offer that any attempt to further constrain the MIT budget, or to eliminate any portion of its core program, would have severe consequences and significantly reduce the ability of the Minerals Information Team in its prescribed mission to provide for the collection, dissemination, and analysis of mineral commodity related data, as it impacts the U.S. strategic and economic needs. We urge Congress, at a minimum, to restore the $2 million for International Information activities and to appropriate adequate funds to sustain the mission of the Minerals Information Team.

Thank you for your consideration.

PREPRED STATEMENT OF THE TIMBISHA SHOSONE TRIBE

My name is Pauline Esteves and I am the Chairwoman of the Timbisha Shoshone Tribe. The Timbisha Shoshone Tribe is a small Tribe principally located at Furnace Creek, Death Valley, California. The Tribe was federally recognized in 1983 but was not given a land base. Most of the Tribe's ancestral lands include the Death Valley National Park and land surrounding the Park. In 1994 the Secretary of the Department of the Interior was mandated under the California Desert Protection Act to conduct a study, in consultation with the Tribe, to determine what lands, both within and outside of the Park boundaries, would be suitable as a reservation for the Tribe. The study process was lengthy but finally concluded in 1999 with a joint study issued by the Department and the Tribe setting forth a recommendation that over 7,000 acres of federal land be transferred to the Tribe in trust. The recommendations submitted in the joint study were ultimately embodied in the Timbisha Soshone Homeland Act which was enacted by Congress and signed into law in the last Congress. (Act of November 1, 2000; Public Law 106–423).

This legislation was supported by the Tribe, the U.S. Park Service, the Bureau of Land Management, and the Bureau of Indian Affairs of the Department of the Interior. One critical piece of the Homeland Act was the Congressional authorization for the Secretary of the Interior to purchase a private ranch in western Nevada commonly known as the Lida Ranch. The land that comprises the Ranch is part of the Tribe's ancestral lands and holds significant cultural, spiritual and historical impor-

tance to the Tribe. The owners of the Ranch are ready and willing sellers and have expressed a desire to sell to the Tribe.

The Ranch has been out of cattle production for the last few years due to the Ranch owners loss of the Ranch's Bureau of Land Management (BLM) grazing permit(s). The Ranch has been seriously over grazed and the Tribe has no interest in operating a cattle ranch. Because of the Tribe's desire to see the Ranch returned to its natural environment and restore depleted resources, the Trust for Public Lands (TPL) has partnered with the Tribe in its effort to secure the Ranch. TPL is working with the Tribe to obtain an option on the Ranch while an appropriation from Congress can be obtained.

On September 13, 2000, the Tribe and TPL met with officials from the Bureau of Indian Affairs to discuss a strategy on how to request and secure an appropriation for purchasing the Ranch. Current BIA staff who were present at the meeting are Terry Virden, Chief of the Trust Responsibilities Office, and Mike Smith, Director of Tribal Services.

BIA made a commitment at the September meeting that a request to purchase the Ranch would be made in the BIA's fiscal year 2002 needs-base submission to the Office of Management and Budget (OMB). This request would then be available to OMB in developing the President's fiscal year 2002 Interior budget request. The appropriation BIA was requesting for the purchase of the Ranch was $14 million. This amount is based on an appraisal conducted by the Ranch owners several years ago. While the BIA, TPL and the Tribe agree that the appraisal presents an inflated fair market value for the Ranch, it was understood that the $14 million would be the amount requested until such time as the Tribe and TPL could engage an appraiser that would provide an appraisal in accordance with federal appraisal standards.

We understand that the President's budget request for the Bureau of Indian Affairs for fiscal year 2002 does not include any funding for acquisition of the Lida Ranch. We do not believe it appears anywhere else in the Interior Department's budget request. The Timbisha Shoshone Tribe is requesting that Congress appropriate $15 million to secure the purchase of the Lida Ranch to fulfill the commitment of Public Law 106–423 enacted just six months ago.

LETTER FROM R. DEAN TICE, EXECUTIVE DIRECTOR, NATIONAL RECREATION AND PARK ASSOCIATION

MAY 4, 2001.

Hon. CONRAD BURNS, *Chairman,*
Hon. ROBERT BYRD, *Ranking Minority,*
Subcommittee on Interior and Related Agencies,
Committee on Appropriations, U.S. Senate, Washington DC.

DEAR SENATORS BURNS AND BYRD: This letter is to share with the Subcommittee our views on fiscal year 2002 appropriations for selected programs administered by the U.S. Department of the Interior, principally the National Park Service. We appreciate the opportunity to comment.

We recommend the following:

—$900,000,000 from the Land and Water Conservation Fund, divided equally between the state assistance program and eligible federal recreation resource agencies. Funds should be allocated to the states as authorized by current law.

—Sufficient funds to address the most distressed recreation resource conditions and deficiencies identified through the Urban Park and Recreation Recovery Program.

—Sufficient funds to enable the National Park Service to effectively collaborate with other federal agencies and state and local agencies on such matters as excess and surplus federal real property, conservation of the nation's cultural heritage and rivers and trails, and U.S. Geological Survey activities that support local and state planning.

We commend the President's early commitment and budget initiative to "fully fund" the Land and Water Conservation Fund. This proposal recognizes the national imperative to address the recreation needs of the American people, and through recreation, a broader national agenda that embraces public health and wellness and other issues. We are disappointed, however, that no funds are requested for the Urban Park and Recreation Recovery program.

We especially commend the President for emphasizing the importance and potential of LWCF state assistance. It is time, we believe, to recognize the significant contributions of the program to national recreation, conservation and other goals. The

program should not be viewed as simply a fiscal distraction to appropriations for federal land systems.

The value of state and local recreation and park resources are fundamentally essential to quality recreation experiences for all people. Until all people have appropriate access to recreation services and resources our collective public mission will remain unfinished.

State and local recreation resources address several national concerns.—Consider the following:

Public Health.—The relationship between recreation and wellness receives widespread attention. Annual national health care expenditures now exceed $1 trillion. Chronic diseases, including heart disease, stroke, cancer and diabetes, account for some 70 percent of all deaths and 70 percent of health care expenditures. More than 90 million Americans live with the most preventable of chronic illnesses. Physical activity, a critical building block of health promotion and disease prevention, is central to many forms of recreation. Active recreation can lower the risk of obesity, hypertension, heart disease, stroke and diabetes, and breast, colon and other cancers. Appropriately sited recreation centers, trails and parks influence the amount and type of personal physical activity.

Nutrition.—Local recreation and park systems are a central part of national efforts to deliver food to children, youth and families. Last July, an average of 2,080,005 children and youth received federally-aided food services each day, hundreds of thousands of them at local park sites. Tacoma, Washington's Metropolitan Park District, for example, feeds a daily average of 150 people at each of 17 sites—neighborhood-based playgrounds and centers, two of which also serve as "safe havens." The Baltimore, Maryland Department of Parks and Recreation feeds 20,000 kids daily. Recreation agencies in Sacramento, California, Longview, Texas, and Kansas City, Missouri and Pittsburgh, Philadelphia are all service providers.

Learning Environments.—The Congress in fiscal year 2001 provided $846 million to local school systems through the Department of Education's 21st Century Community Learning Centers program to create after-school environments conducive to fun, extended learning, and security. Local recreation agencies collaborated in over 80 percent of the local school settings. The President has proposed to continue this program, linked to the Safe and Drug-Free Schools.

Public Partnerships.—Future actions to provide recreation access and to conserve resources will further embrace the concept of shared responsibility to meet mutual goals. One outcome will be immediate and long-term federal savings. Scores of existing non-federal public parks—Mt. Katahdin (Baxter State Park) and the Allagash Wilderness Waterway in Maine are nationally significant. So, too, are the Anza Borrego Desert State Park, California, the Adirondack Park, New York, Long Beach Island State Park, New Jersey—all administered with state funds.

Two other parks—Assateague State Park, Maryland and Indian Dunes State Park, Indiana—illustrate the principle of shared conservation and recreation goals and savings. Assateague state park and the northern unit of Assateague National Seashore host about one-half million visits annually, with 350 state developed campsites (compared to about 200 in the national seashore). It annually pays the salaries of some 10 year-round state employees—and some 40 more seasonal workers. Recent capital investments by the state exceeded $2 million. Indiana Dunes disperses user impacts and costs that would otherwise be borne by the federal government. Visitation is about 800,000, the highest of all Indiana state parks, and over 40 percent are out-of-state visitors. Many of the activities available at the state park are also available at the neighboring national lakeshore.

Livable Communities.—Over 100 senators and representatives are members of congressional "livability" groups. Public recreation and parks contribute importantly to their group objectives.

Recreation Access, Resource Conservation Needs.—The proposed funding for LWCF state assistance and our urban parks recommendation are, in context, modest. Our 1999–2000 nationwide survey of local public recreation and park systems revealed an estimated $55 billion in capital investments for fiscal years 2000–2004. The majority of funds that do become available—typically less than one half of projected needs—will come principally from local and state sources, but national resources will have a direct impact and will leverage other funds. Increasing user capacity through new recreation facilities and parks, restoring existing infrastructure, conserving specific natural landscape features and containing sprawl are top local priorities.

Future investments from the Land and Water Conservation Fund will likely reflect previous state and local decisions. Bozeman, Montana, for example, is completing acquisition and development of Sundance Springs Park, a project "borne of community involvement," according to a state grant official. A $50,000 LWCF grant

contributed importantly to the $295,000 project, enabling acquisition of 10.25 acres and enhanced access to Bozeman's urban "Main Street to the Mountains" trail. Champion, Franklin, and Silversteen parks in Transylvania County, N.C. enhanced the livability of this western North Carolina area through land conservation and additional recreational sports fields and courts, picnic sites and aquatic facilities.

In Wheeling, West Virginia, LWCF matching grants helped develop the Good Zoo, which interprets the habitat needs of indigenous wildlife, and to acquire 300 acres for the Burton Wildlife Preserve. In Huntington, LWCF aided the nationally recognized Ritter Park playground, the most heavily used in the West Virginia, and the Park's Rose Garden, also of state significance.

The City of Blue Springs, Missouri, a suburb of Kansas City, has grown from 7,000 people in 1970 to about 50,000 today. The city has benefited from several LWCF grants, but is "still far behind where it should be," said its director of Parks, Recreation, Buildings and Grounds Roscoe Righter, "But without the LWCF we would not be even close to meeting our needs." The conservation and use of Heritage Park in Westerville, Ohio was aided by a timely LWCF grant. This 10.5-acre property includes the historic Everal homesite and barn (c.1870), both on the National Register of Historic Places since 1975. Restoration and land conservation along the Cincinnati Riverfront, Maumee State Park in the Toledo metro area, and reclamation and development of a former dumpsite in the rural community of Fort Jennings are other Ohio/LWCF projects.

"In fifteen years there will be 210,000 people in Pierce County, adding more people than currently living in the City of Tacoma. Where will we all play?" That question is a critical element of a Tacoma, Washington region-wide strategy of Forever Green, a project of the public-private Forward Together coalition. A predictable, well financed Land and Water Conservation Fund will be a part of the solution. Implementation of the Sitka Trail Plan, a project of Sitka Trail Works, Inc. collaborative of Sitka city/borough, Alaska State Parks, USDA Forest Service and National Park Service Rivers and Trails consultants could depend on LWCF assistance. The draft plan presents 26 potential projects that will provide high quality recreation experiences and aid development of a recreation-based economy.

Distribution of LWCF Appropriations.—Appropriations from the Land and Water Conservation Fund should be made available as authorized by current law, with governors retaining flexibility to meet public recreation demand as determined by public processes. The legislative history of the act underscores the concern for providing necessary recreation resources "to strengthen the health and vitality of the citizens of the United States." In addressing the distribution of funds, the then Senate Interior and Insular Affairs Committee report on the initial legislation stated that, "in providing outdoor recreation resources and facilities for the American people, the greatest emphasis should be given to those areas with the largest concentration of people." The National Park Service's on-line quick history of LWCF notes that 75 percent of the (37,500) projects funded by LWCF for state and local governments "have gone to locally sponsored projects to provide close-to-home recreation opportunities readily accessible to America's youth, adults, senior citizens and the physically or mentally challenged."

The President's budget could dramatically shift the focus of LWCF state grants away from the provision of recreation opportunities for the American people to actions more consistent with the stated purposes of the Endangered Species Act, the North American Wetlands Conservation Act and the Wildlife Conservation and Restoration Program—all critically important statutes—where recreation is secondary and necessarily subservient to the stated objectives of wildlife and wetland conservation.

Rather than investing in "high risk" environments where children are in need of increased recreation the budget speaks to "at-risk species." While the proposal contends that "[t]he paramount purpose of the [LWCF] program would remain outdoor recreation, the primary focus would no longer be on acquiring and developing land to "strengthen the health and vitality of the citizens of the United States." On the contrary, the proposed budget would redefine "public outdoor recreation purposes" to include "development and implementation of programs for the benefit of wildlife and their associated habitat, including species that are not hunted or fished; for the conservation of endangered or threatened species; and for the protection, enhancement, restoration and management of wetland ecosystems and other habitats for migratory birds and other fish and wildlife." Each of these activities (with the exception of "management" functions) are currently authorized LWCF purposes and objectives.

Further, proposed revisions to the authorized state-by-state allocation formula could result in serious distortion of LWCF purposes and investments. The President's "full funding" proposal and formula change (incorporating relative land area)

would impact many states with large, often urbanized, populations that drive impart on resources and thus land use. California's LWCF share, for example, would drop from $40.6 million to $29.2 million; New Jersey from $12.6 million to $8.8 million, Pennsylvania from $16 million to $12.2 million; Massachusetts from $10.1 million to $7.5 million; and Florida from $20 million to $15 million. Conversely, many low population—large land area states would increase, many significantly. Future resource conservation and recreation demand will likely be met by an allocation formula that is weighted more, not less, toward population factors. Legislation to address state allocation and federal programmatic relationships should be considered by authorizing committees.

We share the subcommittee's concern for the health and welfare of the American people.

Sincerely,

R. DEAN TICE,
Executive Director.

PREPARED STATEMENT OF THE CITY OF NEWARK, NJ

Chairman Skeen and members of the Subcommittee, thank you for giving me the opportunity to submit testimony about a project under your jurisdiction which is very important to the people of Newark, New Jersey and the surrounding region. The implementation of our proposal for a Regional Hydroelectric Power Generation demonstration project will help the City of Newark to become more energy efficient and self-reliant, through the generation of power at an existing water treatment facility. This investment of $12 million from the Department of Energy to Newark's future will help us to improve the economic status of our city, while also providing environmental benefits for northern New Jersey.

As the nation's third oldest major city, Newark possesses the unique duty of maintaining an aging infrastructure while attempting to meet the demands of the 21st century. We are charged with the responsibility of continuing to manage a very precious water resource while faced with the challenge of providing an adequate and reliable water supply of uncompromising quality. The City of Newark owns and operates the largest publicly operated water and sewer system in the State, and is dedicated to upgrading its aging facilities. The system delivers, on average, more than 90 million gallons per day for purposes of domestic consumption, commercial and industrial use, and fire protection. Currently, with a 1995 USEPA grant of $44.5 million, we are rehabilitating our century-old brick sewer system, combined sewer overflow system, and stormwater drainage channels. In addition, we have recently utilized low interest loans to complete the rehabilitation of a high hazard dam and the cleaning and cement mortar lining of 13,000 feet of a 42-inch diameter aqueduct. These projects will help to extend the useful life of the overall system well into this new century, but we see untapped potential in our water distribution infrastructure.

The project presented for your consideration concerns the generation of power through the City of Newark's own water system. Although not yet faced with the severe challenges faced in other parts of the country, Newark is seeking to proactively address the need for alternative energy sources. The City of Newark is also confronted with a series of challenges to its water and power supply resources.

Accordingly, the City is seeking to develop the ability for the generation of hydroelectric power through the addition of in-line turbines at existing water transmission facilities. Newark has an extensive water collection and treatment system, spread over a large area in northern New Jersey. It feeds approximately 100 MGD to the City and it's out of town customers. The City maintains and operates five storage reservoirs, nine dams, six outlet structures and 64 square miles of woodland. It operates 80 miles of transmission aqueducts, structures, right-of-way and pump stations, interconnected with other major water purveyors. Distribution reservoirs are operated, along with their inlet and outlet gates, a rechlorination plant, and a water testing laboratory. Newark's extensive local water system includes 500 miles of distribution mains and pipelines, 5,000 hydrants, and 10,000 control valves. Although viewed primarily as a water supply system, the potential for power generation is present, and the time is right to begin its utilization.

The City's Pequannock Water Treatment facilities and aqueduct downstream of the Charlotteburg Dam and Reservoir present a unique opportunity to recover energy that is currently dissipated in the diversion of water through various dam gatehouse and intake structures, pipeline, and downstream screen chambers. Further, the potential hydroelectric power and energy represented in the conveyance could, most of the time, offset the existing power and energy requirements of the water

treatment facilities themselves, including the loads present at dams and treatment facilities.

With this potential in mind, the City performed an evaluation of the power production and energy generation potential of its system. An extensive technical study of the power generation potential of Newark's entire collection, treatment and transmission facilities has been prepared, showing the possibilities of surplus energy generation, and is available for review. It explores the potential generation and disposition of power from several of Newark's operations. As a pilot project, the least complex element of the system can stand alone, and is submitted and described herein.

This project proposes to construct a Water Turbine Hydroelectric Facility at the City's Cedar Grove balancing reservoir. This facility includes inlet and outlet gates, dam structures, and grounds. Utilizing the existing infrastructure, this proposed facility would take advantage of the hydrostatic head on the transmission aqueduct between the West Milford Treatment plant (elev. 700′) and the Cedar Grove Reservoir (elev. 380′). The proposed site lies alongside a power company easement, which would make connection to the grid quite simple. The fairly static flow provided by the interceptor makes this a logical location for a turbine regulator set up. This method of energy recovery would be the least invasive as it could be implemented without significant disruption of our present system. It represents the clean and renewable production and use of energy "on-site", which is currently wasted. The project may also alleviate the relatively frequent interruptions and curtailments of power delivery that are currently experienced at the Pequannock Water Treatment facilities.

This proposed facility would be capable of offsetting the City's electrical operating expenses in addition to the needs of its Water & Sewer Utility. It could also potentially offset the cost to construct concrete storage tanks at the Cedar Grove site in order to meet Federal compliance for the elimination of open potable drinking water reservoirs. It provides Newark with a unique energy recovery and use opportunity.

An appropriation of a total of $12 million is sought, with $2 million for planning and design, and $10 million for construction of the project. It is anticipated that the energy generated through the facility would offset this initial investment within the current decade. Your support for innovative hydroelectric energy generation will enable the City of Newark to impact on its own environmental and economic concerns.

In closing, I would like to extend my thanks to the entire New Jersey delegation for its ongoing support. The time and attention of this subcommittee are deeply appreciated.

PREPARED STATEMENT OF THE QUINAULT INDIAN NATION

Mr. Chairman and members of the Committee: As President of the Quinault Indian Nation, it is my pleasure to submit testimony to this with respect to the fiscal year 2002 Department of the Interior and Related Agencies appropriations requests. Our testimony embraces more than the Bureau of Indian Affairs and the Indian Health Service, although these agencies continue to be the primary agencies that provide funds to our government.

Over the past several months all of the people of the Pacific Northwest have been forced to face the question of conservation. Everyone from the corner market to the Governor's Office speaks of conservation of water because of the drought, and conservation of electricity to avoid California-like power disruptions this summer. We, the leadership of the Quinault Nation are also concerned with conservation; but our thoughts are of conservation in a wider sense. Our concern is the conservation of our most important resources: our people and our land. To that end, my focus today is on the need for programs and facilities that protect the people of the Quinault Nation and protect and preserve our lands.

Quinault Indian Nation requests:

Implementation of North Boundary Settlement Agreement—U.S. Fish and Wildlife Service, Bureau of Indian Affairs, U.S. Forest Service

Members of the Washington State delegation have been fully briefed on the status of the negotiations and the general principals of the settlement over the use of the North Boundary Area of the Quinault Indian Reservation as embodied in a Memorandum of Agreement signed by the Department of the Interior, the Quinault Indian Nation and the Trust for Public Lands. The Agreement calls for implementation through Phase One funding in fiscal year 2002 of approximately $13 million in federal and private funds. The federal appropriated line items that have been identified as potential sources of funding during fiscal year 2002 include: (a) the U.S. Fish and Wildlife Landowner's Incentives Fund, the Cooperative Endangered

Species Fund and Habitat Conservation Plan land acquisition; (b) the Bureau of Indian Affairs' Land and Water Claim Settlement account; and (c) the U.S. Forest Service Forest Legacy Program. We request funding from all or a combination of the accounts during fiscal year 2002.

Meaningful funding of the federal portion of the settlement is critical to stay a lawsuit against the United States. More importantly from the Quinault Nation's perspective, funding of the settlement agreement is necessary for the Nation to achieve fiscal solvency over the next several years. The Nation's Land Consolidation program has been placed on hold because of the dispute with the United States as has the entire economic development program of the Quinault Indian Nation.

Quinault Indian Nation requests:

Tribal Priorities—Bureau of Indian Affairs/Indian Health Service

As I have testified for the past several years, our priorities continue to be centered around the need for facilities construction and infrastructure development. It is vital to our tribe and many others across the country that attention be paid to how the federal government can assist tribes in paying for these important developments. There are very few sources of funding for new facilities in Indian Country. Only the CDBG programs have been available directly to tribes. Other sources for funding facilities, such as IHS and BIA are dedicated to the construction of federal—not tribal—facilities.

Within Indian Country, only a few tribes have unencumbered funds they can use to leverage private sector funds to build new facilities. Without a tax base, tribes cannot access funds commonly used by state and local governments. There are alternative approaches to financing tribal facilities, however, such as co-financing, joint ventures, loan guarantees and bonding authorities that could create opportunities for many tribes. We urge the Committee to help us develop these options to supplement direct federal appropriations.

IHS—Health Facilities Construction—Increase $5,500,000

The first priority of the Quinault Nation for the fiscal year 2002 is the construction of a new tribal health clinic. For more than ten (10) years now, the Nation has been working toward the construction of a new health clinic on the reservation. The Roger Saux Health Clinic is now the oldest reservation health facility in the Pacific Northwest. As valuable as the clinic has been to all Indian people in the service area, it is no longer able to meet the demands of the patient population. The clinic now serves more than 27,000 patients a year, from several reservations and surrounding communities. Funding is needed to construct a clinic that will meet the needs of our people.

Assisted Living Center—Increase $300,000

The General Council of the Quinault Nation has identified an assisted living facility for tribal elders on the reservation as a priority. As with all tribes, we value our Quinault elders and desire to provide a reservation-based facility to care for those elders in need of care. Because of the remote location of our reservation villages, at present, there is no such resource available. Quinault elders in need of assisted living services must leave their homeland and move 50 miles away to the nearest facility—if there is an opening. Therefore, we urge the Committee to continue to support increased appropriations for IHS Facilities Construction to fund the $1 billion identified backlog. With respect to the Quinault Nation, we again request that $300,000 be identified within the IHS budget for the first phase of an Elders Assisted Living Facility on the Quinault Reservation. Finally, we continue to support alternative approaches to financing tribal health facilities such as co-financing, joint ventures, loan guarantees and bonding; and we urge the Committee to assist us in developing these options as a substitute for dependence on Congressional appropriations.

Queets Fish Buying Station—Increase $500,000

The Village of Queets is located on the northern boundary of the Quinault Reservation and is the second largest concentration of people on the reservation. The Queets Fish House is an important part of the village economy and must continue to operate to support many people in the village. The present structure is dilapidated and has, in fact, been condemned as unsafe. Until this past year, the structure continued to be used simply because there was no alternative. The flooring finally gave way last fall and the building cannot be used. The Nation has been seeking funding to construct a replacement for this building for several years. Replacement costs have been estimated at $500,000. We request that this amount be identified in the fiscal year 2002 appropriations specifically for this purpose.

Tribal Court—$750,000

The Quinault Nation supports the Administration's proposed increase of $1.5 million for Tribal Courts within the Tribal Priority Allocation line item. In addition, the Nation supports and urges the Congress to support the continuation of funding for the Law Enforcement Initiative. However even these increases will not address the needs that the Quinault Nation has identified as priorities for the next several years.

Our request for funds to construct a tribal court was included as part of my request in last years budget, and continues to be an important unmet need on our reservation. The Tribal Court for the Quinault Nation is housed in a trailer owned by the BIA. The Tribal Court is expected to deal with an expanding array of cases in a facility that is in a state of practical ruin. The structure itself leaks and has an unstable floor. The Nation stresses the need for a new courthouse and a need for a second tribal judge and additional hours for the Tribal Prosecutor to keep pace with increased caseloads.

An ongoing need for additional court staff is the need for a Process Server. Presently court summons and subpoenas are delivered by tribal police officers. Since process service is not priority for on-duty officers, this sometimes means a considerable delay in delivering documents. This illustrates the link between law enforcement and judicial services. It also points to the desperate need for additional funding for all aspects of reservation law enforcement.

The Quinault Nation must provide all forms of law enforcement on the reservation. In addition to general duties in the two villages and on the roads and highways of the reservation, tribal police are responsible for enforcing tribal hunting, fishing and gathering activities on the reservation (including 26 miles of coastal shoreline and more than 200,000 acres); and in "usual and accustomed places" off the reservation. In addition, the department has the responsibility of enforcing tribal jurisdiction on the Pacific Ocean out to the territorial limits. In fact, the Nation is presently discussing the possibility of working with the National Marine Fisheries Service to provide enforcement services in coastal waters under the Lacy Act. Prosecutions from each of these enforcement activities must be adjudicated in Tribal Court.

In April the Quinault Nation began operating its own tribal TANF program. As a consequence of that commitment, the Nation must seriously examine the possibility of additional burdens on the Tribal Court to hear cases related to TANF activities. This would include reviews of TANF decisions brought on administrative appeal and, most likely, child support enforcement matters. Before the Tribal Court can begin hearing such cases, it is important that the Court have the proper staff, training and facilities.

Fractionated Heirship Pilot Project—Increase $2 million

Finally, the Quinault Nation supports the Administration's proposed increase for the Indian Land Consolidation Pilot Project of $2 million. The Nation is negotiating with the Department to become one of the Pilot Projects. As of the date of this testimony, we have identified over $10 million worth of less than 2 percent fractionated interests owned by willing sellers on the Quinault Reservation. One of the main goals of the Quinault Nation for the past 4 decades has been to repair the damage to our Nation caused by the Allotment Act. Increased funding for this Pilot Project could help the Nation achieve this goal.

I would like to thank the members of the Committee for considering the testimony of the Quinault Nation.

PREPARED STATEMENT OF ALACHUA COUNTY, FL

Mr. Chairman: Thank you for allowing the Alachua County Board of County Commissioners to submit this written testimony before your Subcommittee concerning the County's Emerald Necklace Land Conservation Initiative. As described below, this initiative will serve as a model land conservation program, while demonstrating the benefits of a successful local, state and federal environmental partnership.

EMERALD NECKLACE LAND CONSERVATION INITIATIVE ($10 MILLION IN FUNDING REQUESTED)

On November 7, 2000, a large turnout of Alachua County voters overwhelmingly endorsed passage of a local land acquisition bond referendum that provides up to $29 million in local funds to acquire and preserve environmentally significant lands. This local initiative received broad public support, with endorsements from diverse

community interests including business, environmental and community organizations.

Alachua County is seeking state and federal matching funds to leverage this substantial local commitment to land conservation. Property acquisitions are proposed to link existing conservation lands to provide for connected areas of protected water quality and wildlife habitat, as well as resource-based recreational opportunities. Federal matching funds will be critical to the success of this project. Alachua County is committed to responsible land use practices and conservation policies that encourage future growth to occur in areas of lesser environmental sensitivity with adequate infrastructure.

Alachua County has five large scale land acquisition projects (5,000+ acres) on Florida's Conservation and Recreation Lands (CARL) acquisition list.

—Paynes Prairie Additions (a large freshwater wetland and watershed, managed as a state preserve)

—San Felasco Hammock Additions (a mature hammock and sandhill forest, with ravines and unique sinkhole drainage features)

—Watermelon Pond (an upland sandhill and scrub forest community with important ephemeral wetlands surrounding a relatively pristine lake)

—Newnans Lake (a diverse flatwoods forest surrounding a major community fishing lake with declining water quality)

—Lochloosa Forest (a pine flatwoods forest, largely in commercial timber production surrounding two large fishing lakes)

These tracts are under substantial land development pressures that, if left unchecked, will further fragment and diminish their environmental, water resource, and recreational values.

A major portion of the larger tracts proposed for acquisition are currently timber lands. Timber production, where conducted in conformance with best management practices to avoid soil erosion and water quality degradation, is a land use considered to be generally compatible with Alachua County's land conservation goals. In these areas, the purchase of development rights and conservation easements, as opposed to fee simple acquisition, are proposed as key components of the Emerald Necklace acquisition strategy. These conservation alternatives, which stretch the available acquisition dollars, allow the properties to continue to be used for lower impact, more compatible land use activities while remaining under private ownership and management.

In addition to these five larger tracts, acquisitions are proposed for smaller, but environmentally significant properties that will preserve vital connections between the larger tracts, creating the "Emerald Necklace." These smaller, linking parcels, often overlooked by state and federal land acquisition programs, are easier to manage by a local land conservation program such as that established by Alachua County.

Although most of the properties proposed to be included in this project are relatively undisturbed, an important objective of the Emerald Necklace initiative is to accomplish several critical restoration projects. Alachua County in consultation with the City of Gainesville have identified four priority restoration areas.

—Newnans Lake, a large lake in a relatively natural setting with spectacular recreational, scenic, and wildlife resources that is being adversely affected by water quality degradation and sedimentation. Specific projects requiring federal assistance include: investigations to determine the source of water quality problems and appropriate remedies, mechanical removal of muck and sedimentation, land acquisition for surrounding properties, a multi-use trail system circling the lake and connecting two existing rail-trails, and the designation and enhancement of a canoe trail connecting Newnans and Orange Lake via Prairie Creek and the River Styx. The St. Johns River Water Management District is another willing partner for this restoration project, having made substantial commitments in the past and demonstrating an interest to expand land conservation and water resources protection in the area while enhancing public access.

—Sweetwater Branch watershed restoration to improve water quality, reduce sedimentation, and to prevent adverse impacts on Paynes Prairie State Preserve (a designated National Natural Landmark) and the underlying Floridan Aquifer, the region's primary source of drinking water. Prior to draining into the drinking water aquifer via Alachua Sink on Paynes Prairie, this urban creek in eastern Gainesville is severely impacted by untreated stormwater runoff and further eroded by a major discharge of treated municipal wastewater.

—Tumblin Creek watershed restoration to improve water quality, reduce sedimentation and toxicity to fish, and to prevent adverse impacts to Paynes Prairie State Preserve and the Floridan Aquifer. This severely degraded urban creek flows through a minority neighborhood and a public school campus prior to

transporting untreated stormwater and potentially toxic sediments into Bivens Arm Lake. This lake, a state-designated wildlife sanctuary, provides an increasingly rare opportunity for subsistence and recreational bank fishing for low income and unemployed residents

—The restoration of Hogtown Creek, which drains the largest watershed in Gainesville. The City of Gainesville has acquired $3.0 million in properties to establish the Hogtown Creek Greenway. Federal funding assistance is needed for the development of recreational trails and for water quality improvements.

CONCLUDING COMMENTS

Alachua County proposes an intergovernmental land conservation initiative to establish the "Emerald Necklace," a publicly accessible, connected and protected network of trails, greenways, open spaces and waterfronts surrounding the Gainesville urban area. This initiative will directly provide for multiple public uses and benefits, including passive recreation opportunities, protection of drinking water sources, watershed restoration, and the preservation of diminishing fish and wildlife habitats. Therefore, we hope that the Subcommittee will find this critically important project worthy of your support. Thank you for your consideration.

PREPARED STATEMENT OF FLORIDA STATE UNIVERSITY

Mr. Chairman, I would like to thank you and the Members of the Subcommittee for the opportunity to present testimony before this Committee. I would like to take a moment to briefly acquaint you with Florida State University (FSU).

Located in Tallahassee, Florida's capitol, FSU is a comprehensive Research I university with a rapidly growing research base. The University serves as a center for advanced graduate and professional studies, exemplary research and top quality undergraduate programs. Faculty members at FSU maintain a strong commitment to quality in teaching, to performance of research and creative activities and have a strong commitment to public service. Among the faculty are numerous recipients of national and international honors, including Nobel laureates, Pulitzer Prize winners as well as several members of the National Academy of Sciences. Our scientists and engineers do excellent research, have strong interdisciplinary interests, and often work closely with industrial partners in the commercialization of the results of their research. Having been designated as a Carnegie Research I University several years ago, Florida State University currently is approaching $125 million per year in research awards.

FSU will soon initiate a new medical school, the first in the United States in over two decades. Our emphasis will be on training students to become primary care physicians, with a particular focus on geriatric medicine—consistent with the demographics of our state.

Florida State attracts students from every county in Florida, every state in the nation, and more than 100 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which currently includes some 192 National Merit and National Achievement scholars, as well as students with superior creative talent. We consistently rank in the top 25 among U.S. colleges and universities in attracting National Merit Scholars to our campus.

At Florida State University, we are very proud of our successes as well as our emerging reputation as one of the nation's top public universities.

Mr. Chairman, let me tell you about a project we are pursuing this year involving a new institute to address Florida Coastal Marine issues. A Memorandum of Agreement has been signed between the Minerals Management Service (MMS), the Florida Department of Environmental Protection (DEP), and Florida State University to create the Florida Coastal Marine Institute, contingent upon the appropriation of funds. The goals of this Institute are to support high-quality research and training activities in coastal areas with particular emphasis on sand and gravel resources in the coastal and marine waters adjacent to Florida. The FSU Coastal Marine Institute will augment the pool of researchers capable of addressing current and future marine science information needs of the MMS and the State of Florida, by supporting the training of graduate students and post-doctoral students. Support will also be utilized to provide a data information repository at FSU for such data. We are asking for $500,00 in fiscal year 2002 to fund this activity through the Department of Interior's Minerals Management Service. Matching funds from state or private sources will match the MMS funding on a dollar-for-dollar basis.

Mr. Chairman, this is a very worthwhile effort that will yield great rewards and is just one of the many ways that Florida State University is making important contributions to solving some key problems and concerns our nation faces today. Your

support for this MMS activity would be appreciated, and, again, thank you for an opportunity to present these views for your consideration.

PREPARED STATEMENT OF THE ASSINIBOINE AND SIOUX TRIBES OF THE FORT PECK INDIAN RESERVATION

As Chairman of the Assiniboine and Sioux Tribes of the Fort Peck Reservation, I am pleased to submit this testimony on the BIA and IHS fiscal year 2002 budget

BUREAU OF INDIAN AFFAIRS

Education

We support the Administration's emphasis on education. In particular, we support the $1 million increase requested for tribal colleges and university. This is vital to our tribal members, who want and need a higher education but do not want to leave their home to receive this education. We also support the President's initiative to increase funding to meet the construction needs of public schools with a high number of Indian students. All of the schools on the Fort Peck Reservation are public schools and are in dire need of facilities monies.

We are concerned that the President has not requested any increases for the higher education scholarship program within the BIA. The current level of funding is inadequate. At Fort Peck alone, we have had to turn a way more than 200 students, who needed assistance to continue their higher education. We are also concerned that the Johnson O'Malley program has not received an increase in more than ten years. In fact, it has been cut by more than two million dollars in the last two years. On the Fort Peck Reservation, there is a shortfall of more than $900,000 in this important program.

Phase I North of Sprole Irrigation Project ($3,778,070)

The Fort Peck Tribes in conjunction with the Bureau of Indian Affairs, the Montana Department of Agriculture, and the Roosevelt County Conservation District, have been working together to develop the North of Sprole Irrigation Project (NOSI). The Project is part of an economic development program to stimulate the local economy by providing jobs and income to the area.

The economic analysis report estimates that up to 150 new jobs would be created within the Fort Peck Indian Reservation with a projected increase in annual income to Roosevelt County of $1–3 million annually. In the end the Project will result in an increase in the number of irrigable lands by more than 14,000 acres. Thus, there can be no doubt that the project will greatly improve the quality of life of the people of the region.

Moreover, in 1997 Roosevelt County economy had a deficit trade balance $58 million, because the region no longer has any significant "value added" industry that results in the export of the region's raw good. With the development of the NOSI Project the Fort Peck Tribes is taking the first step in developing value-added business activity in Roosevelt County and the development of a crop production/food processing marketing channel. Thus, not only will this project improve the quality of life for the people of the region, it will improve the overall economy of the region and the State. Working with the other Project proponents, the Tribes have already hired an Irrigation Development Specialist to develop alternative cropping systems and a nutrient and pest management plan for all irrigable lands throughout the Reservation.

The Tribes request $3,778,070 for Phase I of this Project, which has a total cost of $25,360,200. Phase I funding will enable the Tribes to build the three necessary pumping stations for this important project.

Road Maintenance ($70 million increase)

Nationally, the BIA and tribes are responsible for more than 24,000 roads and 770 bridges. Within the Rocky Mountain Region of the Bureau of Indian Affairs there is a total of 2,445 miles of roads, of which 279 miles are on the Fort Peck Reservation. Yet, the entire budget for BIA road maintenance is only $27 million.

This amounts to approximately $708 per mile for road maintenance. States and the federal government spend on average $4,000–$5,000 per mile on road maintenance. The BIA estimates that $100 million is needed to maintain BIA/tribal roads. Increased funding for IRR road maintenance is not only the fair thing to do. It is the smart thing to do. We all recognize that spending millions of dollars to build roads and bridges only to see them fall into disrepair and lose years of useful life due to a lack of adequate maintenance is both unwise and unsafe. We urge the Subcommittee to increase Road Maintenance funding to meet the needs.

INDIAN HEALTH SERVICE

We are very disappointed that the Administration did not request any programmatic increases in funding for Indian Health Service Programs. As we all know, at the current funding levels the Indian Health Service is funded at only 50 percent of need. We strongly support the Senate Budget Resolution, which would provide $4.2 billion to fully fund the Indian Health Service.

The Fort Peck Service unit alone needs an increase of $14,665,000 to update the Unit's present health care system to provide adequate health care to our people. Access to quality health care for our people is complicated and compromised by the lack of space, lacks of health care professionals, harsh weather, remote physical location, and the increasing cost of pharmaceuticals. The Fort Peck Service Unit has developed a number of initiatives to address these challenges, which the Tribes are asking for the Subcommittee's support.

Below we provide a detailed discussion of these initiatives.

Fetal Alcohol Syndrome Program ($65,000)

As the Committee knows, Fetal Alcohol Syndrome/Effect is the number one preventable birth defect in America. The rate of FAS/FAE in Indian communities is far higher than other communities. The impact of this preventable defect is forever on a child's life and on our communities. More must be done to prevent this terrible epidemic. At Fort Peck we have developed a FAS/FAE program to provide training to the communities and educational information to the women of our communities. The cost of this program is $65,000.

Community Health Outreach ($446,000)

The Fort Peck Reservation is over 100 miles long and 50 miles wide. Many of our people cannot afford to buy gasoline or own a vehicle to get to our clinics. The Tribes are proposing two new initiatives to address this critical access to care crisis on the Reservation.

To address the issue of access to care, the Tribes are proposing to implement a mobile health care clinic. This would enable trained health care providers to reach those who are likely the most in need. This clinic would be critical in providing well woman and well-child care, as well as treatment of simple complaints. The Tribes propose staffing the mobile clinic unit with a Nurse Practitioner. The cost for a mobile unit and its staff would be $414,000.

A part of this community outreach program, the Tribes propose an "Ask a Nurse" initiative. Under this proposed initiative, a nurse would be on call from her home on weekends and after hours. The cost of this initiative for a one year contract with a nurse is $32,000.

Asthma Program ($60,000)

The Fort Peck community has an unusually high number of asthmatics. The Fort Peck Tribes propose developing an aggressive treatment and education program to reach those suffering with asthma, in particular our youth. As part of this program, we are proposing to develop a "kids" asthma camp to provide safe environment for our children to engage in important physical activity and to learn about asthma. The cost of this initiative is $60,000.

Cardiac Rehabilitation Program ($215,000)

We are very proud of our innovative Cardiac Rehab Program. It is the first of its kind in the entire IHS system and has proven to be extremely successful. The program is a holistic recovery program, focusing on our cardiac patients' diet, exercise, and behavior. This ensures that our patients enjoy full recovery from their surgery and a quality of life that is better in most instances than what they had before surgery. The total cost for this innovative program is $215,000 annually.

Dental Clinic ($84,700)

Our present dental care system is painfully inadequate. We have more than 1200 children who are in urgent need of the most basic dental care. Our elderly population also lacks the most basic dental care, including the need for dentures, crowns and bridgework. Studies have shown that we could keep 6–8 dentists busy. We request funding for two new efforts. The first is for $52,000, which would provide orthodontist care to our children. The second is for $32,700 to develop a new program to focus on elders' dental health.

Obesity Clinic ($146,000)

Obesity is a major contributor to diabetes, which is at epidemic levels in our community. We propose a new Obesity Clinic, staffed with a nurse and a dietician to

develop a community wide obesity program to combat this problem. We request $146,000 for this new program.

In conclusion, the Fort Peck IHS Service Unit is trying to make access to medical care a very high priority. Through a campaign of community education and patient outreach, the quality of care and service to the community is being expanded. Funding these initiatives is a fiscally responsible method of addressing the health care needs of our people.

We thank the Subcommittee for this opportunity to testify.

PREPARED STATEMENT OF THE LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

As Chairman of the Lac du Flambeau Band of Lake Superior Chippewa Indians, located in Wisconsin, I am pleased to submit this written testimony which reflects the needs, concerns and issues of the Tribal membership arising from the President's fiscal year 2002 Budget.

INDIAN EDUCATION

As we continue our journey into the 21st Century, the education of our children and future leaders is very important to the Band. We are glad to hear that President Bush is also making education one of his top priorities.

The Band's specific concern is the funding levels associated with Higher Education and Johnson O'Malley programs. There has not been an increase in the BIA's higher education funding for five years. In the last two years, the Band had 115 tribal members, who were not able to receive funding for college due to funding shortfalls. To fully support our qualified college students, an additional $225,000.00 of funding is required.

LAW ENFORCEMENT AND COURTS

The Band is pleased that the Administration has chosen to maintain funding for tribal law enforcement programs with the Bureau of Indian Affairs. This is a basic need that is currently unmet in most Indian communities.

At Lac du Flambeau we are fortunate to have a police department that is able ensure a safe community for our members. For instance in 2000, the Lac du Flambeau Tribal Police Department logged 28,800 man-hours answering 4,143 complaints. The 10, member Police Department consists of 9 full time officers and 1 administrator responding to calls ranging from domestic violence to juvenile cases including runaways, burglary, fraud, battery and vandalism. The Lac du Flambeau Tribal Police not only responds to tribal complaints but also provides services to the non-Indian community as well.

Currently, we cannot compete with the State of Wisconsin's retirement plan. The Band approached the State about having our officers participate in their plan, but the State said we could not. The problem has escalated to a point where we cannot retain our officers even though our hourly wage is on the average of $2.00/hour more than the surrounding police departments. The Band requests an increase of $263,125.00. Increased funding is needed to ensure that we can retain our officers.

We are pleased that the budget requests an increase for tribal courts. Our Lac du Flambeau Tribal Court System includes a Chief Judge, 2 Associated Judges, Tribal Attorney/Prosecutor, Clerk of Courts, Deputy Clerk and 2 Peace Keepers. In fiscal year 2000, our Court System had 1,268 cases filed and conducted 1,716 hearings. Cases would range from Children and Family cases to on and off reservation conservation/natural resource violations. Throughout Indian country, tribal courts are severally underfunded and yet continue to fulfill a critical role in bringing justice to our communities. It is vital that these courts start to receive the funding that they need. Thus, the Band respectfully requests Congress to increase funding for the BIA Tribal Courts Programs.

NATURAL RESOURCES

In past testimony, the Band has emphasized that the natural resources of the Lac du Flambeau Band are our most valuable and significant asset—apart from our children and Elders. Our natural resources provide the people with cultural, spiritual, subsistence, social and economic opportunities. The Reservation is located in the heart of Wisconsin's tourism and sport-fishing region. Tourism and related industries provide livelihoods for Indians and non-Indians alike. The land, the water, the air and all the animals and plants that live along with us on this land, help make us what we are as a people. We need funding to assure that we can fulfill our re-

sponsibilities to keep these resources clean and available for the generations to come.

Wildlife and Parks

The Band has a comprehensive Natural Resource Department and dedicated staff with considerable expertise in natural resource and land management. Our activities include raising fish for stocking, conservation law enforcement, collecting data on water and air quality, developing well head protection plans, conducting wildlife surveys, and administering timber stand improvement projects on the 86,000 acre reservation. We urge this Committee to increase the Wildlife and Parks budget by $10 million and set aside $200,000 for Lac du Flambeau ($100,000 for Tribal Fish Hatchery Operations and $100,000 for Tribal Management and Development). The Wildlife and Parks budget has not increased since 1990. An increase will ensure we can maintain our current staff and critical natural resource programs.

Circle of Flight

The Circle of Flight Program (also known as the Wetlands and Waterfowl Management Program) has been dedicated in preserving and rehabilitating our Nation's wetlands and waterfowl populations. Wetlands are important in providing flood control, clean water and recreation. Waterfowl are a very important source of food for tribal members and also support hunting opportunities for many up and down the Mississippi Flyway. Twenty-three reservations, the Great Lakes Indian Fish and Wildlife Commission, 1854 Authority and Fond du Lac Ceded Territory, with reservation and ceded territory land base of more than 61 million acres, have identified $1,009,000.00 in funding needs for fiscal year 2002.

Forestry

Within the 86,000-acre reservation, we have 45,000 acres of forested land that supports hunting and gathering opportunities for tribal members as well as logging. Proper management of the forest is essential to sustain our subsistence lifestyle, but also to provide economic growth for the Band. The Forestry Program, consisting of 2 foresters and 2 technicians, undertakes a broad range of management activities including tree planting, prescribed burning, timber road design and maintenance, timber sale administration and wildlife management. The Forestry Program is funded through Tribal Priority Allocation (TPA) within the Bureau of Indian Affairs budget, which has been historically under funded. It is difficult for the Forestry Program to compete for TPA funds when child welfare, education and HIP programs are also competing for the same funds. Basic human needs must be met first. To avoid this conflict, we request this Committee to earmark $188,000 for the Lac du Flambeau Forestry Program, which has not received any new funding since fiscal year 1991.

Tribal Historic Preservation

The Band is strongly opposed to the proposed $15 million cut in the NPS Historical Preservation Fund. A reduction to the fiscal year 2000 level would mean significant cuts in tribal historic preservation programs nationally. Since 2000, 10 more Tribal Historic Preservation Offices (THPOS) have been certified. THPOS are already severally underfunded. A $15 million cut would be devastating. We urge the Subcommittee to provide the full $52.1 million for this program.

TRIBAL PRIORITY ALLOCATION (TPA)

In Lac du Flambeau, for example, many programs such as child welfare, courts, education, roads, forestry, land management, HIP and etc. are key programs included within TPA. TPA allows the Band to move funds from one TPA program to another, in line with the priorities set by the Tribe. The TPA program has been insufficiently funded across the board, and has not met the needs in Indian country. The President requested $750.4 million for Tribal Priority Allocation. The Band supports the $17 million increase, but urges the Subcommittee to consider additional increases for these vital programs. The Band requests an earmark of $75,000 for the Band's Tribal Land Management Department. This Department has a vast array of responsibilities associated with the administration and management of trust properties under the jurisdiction of the Band. We also urge the Subcommittee to restore the President's proposed $2 million cut in the BIA's General Assistance Program.

The President's TPA budget also includes $130.2 million for Contact Support, which is an increase of $11 million over last year's level. We feel this a start but it falls well short of the need since the BIA claims that this will only meet up to

88 percent of the total BIA contract support needs in Indian Country. We would hope that Congress would fully support total funding for Indirect Cost.

GREAT LAKES INDIAN FISH AND WILDLIFE COMMISSION

The Band supports the Great Lakes Indian Fish and Wildlife Commission request of $3.9 million. The Band is a member of the Commission, which assists the Band in protecting and implementing its treaty-guaranteed hunting, fishing and gathering rights.

INDIAN LAND CONSOLIDATION PROJECT

The Band supports the Land Consolidation Project. In order to improve upon the implementation of this Project, we suggest that Congress allow tribes to administer the project through a Public Law 93–638 contract or some other cooperative agreement.

INDIAN HEALTH SERVICE

The Band is very disappointed that the Administration has failed to provide any programmatic increases for the Indian Health Service. In this regard, the Band strongly supports the Senate version of the Budget Resolution which would allocate $4.2 billion to the Indian Health Service. This would ensure that the IHS has the resources to provide the basic, essential health coverage that is required to meet the needs of Indian people. In fiscal year 2000, the Indian Health Service only provided 52 percent of the cost required for health care for our membership. Again this is unacceptable and we believe this is a breach in the federal government's trust responsibility to our people. The Lac du Flambeau Band strongly urges Congress to rectify this funding shortfall, by adding an increase of $3 million for the Peter Christiansen Health Center.

We are also very concerned with the level of funding provided for contract health care. While there continues to be an enormous shortfall in the contract health care system, the Administration did not request an increase for this key program. Currently, funding for contract health care meets less than half of our needs. We are forced to undertake a terrible rationing of health care—addressing only emergencies. If a child requires an MRI or CT scan, we cannot provide these services—unless a life is in imminent danger. At the same time, according to IHS, the Administration's Budget will result in more than 16,000 fewer contract health care outpatient visits than last year. We urge the Committee to increase the contract health care budget significantly.

PREPARED STATEMENT OF THE GREAT LAKES INDIAN FISH & WILDLIFE COMMISSION

GLIFWC'S FISCAL YEAR 2002 APPROPRIATIONS REQUEST

$3,956,000 Base Funding Level (fiscal year 2001 enacted plus an increase of $285,000).—GLIFWC requests an adequate funding base so that it can restore and maintain its core biological, enforcement, tribal court and public education programs.

Rationale.—Since 1995, both the Administration and Congress have provided a constant funding base. However, the net effect has been a de facto funding decrease. Based upon the Consumer Price Index, GLIFWC would need nearly $300,000 more today to equal the buying power it had in 1995. GLIFWC already has taken a number of steps to cut staff and expenditures, but further reductions are not possible without significant cuts into its programs.

Full Funding of Contract Support Costs.—GLIFWC requests that the BIA be directed to fully fund its contract support costs.

Rationale.—Only once since 1995 has the BIA fully funded GLIFWC's contract support costs for shortfall of nearly $196,000. For example, in fiscal year 2000, GLIFWC had an $86,000 shortfall because the BIA provided only 80 percent of contract support funding. This shortfall causes enough hardship as it is. Yet, its effect is compounded by the lack of certainty throughout the year as to what the final funding level will be. Like any organization or business, GLIFWC needs timely information to make day-to-day management decisions and to implement improvements that increase management efficiency and cut operational costs. GLIFWC has worked hard to maintain a low overhead, and historically its indirect cost rate has been under 15.25 percent (e.g. 11.99 percent in fiscal year 2000). This is becoming more difficult because GLIFWC does not know what its actual contract support funding will be until the fiscal year is nearly, if not already, over.

Ceded Territory Treaty Rights and GLIFWC's Role.—GLIFWC was established in 1984 to assist its eleven Minnesota, Michigan, and Wisconsin Chippewa tribal governments in:

—securing treaty guaranteed rights to hunt, fish, and gather in Chippewa treaty ceded territories; and

—cooperatively managing and protecting ceded territory natural resources and their habitats.

GLIFWC implements federal court orders and various interjurisdictional agreements related to these rights. It serves as a cost efficient mechanism to conserve natural resources, to effectively regulate harvests of natural resources shared among treaty signatory Tribes, and to develop cooperative partnerships with other government agencies, educational institutions, and non-governmental organizations.

Why GLIFWC's Funding Base Needs to be Increased.—A number of factors have eroded GLIFWC's funding base and threaten its programmatic capabilities:

"Flatline" Base Funding Appropriations.—As discussed above, GLIFWC's BIA base funding has remained constant since 1995, and the effect has been a de facto funding decrease.

Rapidly Increasing Fringe Benefit Rates.—Fringe benefit costs have increased nearly $102,000 since 1995. Health insurance costs alone increased 27 percent last year and are expected to increase at about the same rate for next year.

Increasing Staff Seniority.—Once the "new kid on the block," GLIFWC is now a mature agency. Much of its staff, including all of its division heads and lead biologists, have been with GLIFWC for more than 10 years, some for over 15 years. Consequently, GLIFWC faces about $40,000 each year in salary "seniority step" increases and associated fringe costs. This is in addition to general COLA increases that GLIFWC provides only if the BIA's appropriation provides COLA funding.

Budget Reduction, Funding Diversification, and Other Cost-Saving Options Have Been Exhausted.—GLIFWC already has taken a number of steps to address its de facto funding decrease. It has: (i) cut staff; (ii) reduced the number of fall fish recruitment surveys; (iii) reduced funding to tribal courts and registration stations; (iv) postponed vehicle and equipment replacement; (v) obtained separate contract support funding from the BIA; and (vi) pursued "soft" funding from non-BIA sources to prevent additional staff cuts and to undertake special projects. Further reductions or realignments are not possible without significant cuts into core biological, enforcement, and public education programs.

How Increased Base Funding Would Be Used.—The fiscal year 2002 funding increase would:

Restore Funds to Programs that Have Been Cut.—$145,000 would be used to restore:

—*Fall juvenile walleye recruitment surveys to previous levels*.—$100,000 to offset the nearly 50 percent reduction in lakes that were surveyed in 1991 (152 lakes) to those that current funding will allow to be surveyed in 2001 (about 80 lakes).

—*Tribal court and registration station funding*.—Nearly $30,000 was cut from tribal courts and tribal registration stations in fiscal year 2001.

—*Lake Superior lamprey control and whitefish assessment programs*.—$10,500 has been cut from these programs over the last 5 years.

—*Predator study and cooperative wild rice enhancement projects*.—$4,500 has been cut for cooperative projects with state and federal agencies, as well as with non-profit conservation organizations and other partners.

Establish a Revolving Capital Fund to Replace Ageing Vehicles and Field Equipment.—$100,000 would be used to establish a capital fund that would be used each year to replace old vehicles and equipment. For example, the Biologists' truck fleet consists of one 1979, one 1990, one 1991, five 1994, and two 1995 models. Also, GLIFWC's wardens patrol with five 1985 model boats, four 1988 model All Terrain Vehicles, and eight 1990–91 model snowmobiles. These vehicles and equipment are becoming increasingly more costly to maintain and simply are wearing out.

Meet Increased Seniority "Step" Salary and Fringe Costs.—$40,000 would be used to meet the average annual non-COLA "seniority step" salary increases and associated increased fringe costs.

Benefits From Increased Base Funding.—The increased funding base will enable GLIFWC to restore and maintain its programs, with the benefits of:

Remaining a constructive, stabilizing natural resource management and public safety institution.—Over the years, GLIFWC has become a recognized and valued partner in natural resource management, in emergency services networks, and in providing accurate information to the public. Because of its institutional experience and staff expertise, GLIFWC provides continuity and stability in interagency relationships and among its member tribes, and contributes to social stability in the ceded territory in the context of treaty rights issues.

Retaining an Experienced Professional Staff.—Since the early days of the treaty rights issues, GLIFWC has retained a solid core of biologists, biological services field staff, enforcement officers, and public information specialists. In many instances, GLIFWC staff experience matches or exceeds that of their counterparts in other agencies when it comes to treaty rights issues and to ceded territory natural resource management and enforcement issues.

Maintaining cooperative, cost-effective partnerships.—GLIFWC has built partnerships with:

—Other government agencies, such as state Departments of Natural Resources, U.S. Fish and Wildlife Service, USDA-Forest Service, USDA-Natural Resource Conservation Service, Great Lakes Fish Commission, U.S. Coast Guard, Environmental Protection Agency, Agency for Toxic Substances and Diseases Registry, Canadian federal and provincial governments, and local county and municipal governments;

—Schools and Universities, such as the University of Wisconsin-Madison, University of Wisconsin-Superior, Northland College, University of Minnesota, and Lac Courte Oreilles Ojibwe Community College; and

—Non-Governmental organizations and community groups, such as Ducks Unlimited, the Sharp-Tail Grouse Society, the Natural Resources Foundation, the Nature Conservancy, and local lake associations.

Through these partnerships, the parties have:

—Identified mutual natural resource concerns, and implemented conservation and enhancement projects (e.g. wild rice restoration, exotic species control projects, and the development and implementation of the Strategic Great Lakes Fishery Management Plan and its related lake trout restoration and sea lamprey control projects);

—Provided accurate information/data to counter social misconceptions about tribal treaty harvests and the status of ceded territory natural resource populations (e.g. joint fishery assessment activities and jointly prepared reports);

—Maximized each partner's financial resources and avoided duplication of effort and costs (e.g. coordinating annual fishery assessment schedules, and sharing personnel and equipment to conduct fishery assessments);

—Achieved public benefits that no one partner could have achieved alone (e.g. waterfowl habitat restoration and improvement projects);

—Contributed scientific research and data regarding natural resources and public health (e.g. furbearer/predator research, and fish consumption/human health studies and other fish contaminant research, such as that regarding mercury in fish); and

—Engendered cooperation rather than competition (e.g. cooperative law enforcement and emergency response activities, such as joint training sessions, mutual aid emergency services arrangements, and cross-credential agreements).

PREPARED STATEMENT OF THE PAUCATUCK EASTERN PEQUOT TRIBAL NATION

This statement is submitted on behalf of the Paucatuck Eastern Pequot Tribal Nation, North Stonington, CT, with respect to fiscal year 2002 appropriations for the Bureau of Indian Affairs. Specifically, we wish to urge the Subcommittee's favorable consideration of increased funding in fiscal year 2002 for the Branch of Acknowledgment and Research (BAR). We ask that funding be increased from $900,000 in fiscal year 2001 to a level sufficient to provide BAR with at least three full research teams.

The 150-member Paucatuck Eastern Pequot Tribe has a 254-acre reservation in North Stonington, CT, which was established in 1683 and is known as the Lantern Hill Reservation. Historically, however, the Tribe occupied and controlled a much broader land area in southeastern Connecticut. The Tribe and our reservation have been continuously administered by either the Colony or the State of Connecticut. While we are a state-recognized Tribe, and have been recognized by Connecticut since it became state, we are not yet federally recognized. We have been known by a number of names: Stonington Pequots, North Stonington Pequots, and Paucatuck Pequot, as well as the name we currently use, Paucatuck Eastern Pequot Tribe. We have had a series of leaders who have been recognized as our chiefs by the State of Connecticut and other New England tribes. All of the current members of the Paucatuck Eastern Pequot Tribe descend from three individuals who were identified as Indians on the North Stonington Reservation in the 19th century.

As this Subcommittee knows, in 1978, an administrative process for groups to petition the federal government to be acknowledged as an Indian tribe was established within the Department of the Interior. Members of our Tribe have been working to

achieve federal recognition since the 1970s, gathering information and documentation about our Tribe in order to present our case. As is required under the regulations, the Paucatuck Eastern Pequot Tribe sent a letter of intent to submit a petition to the Branch of Acknowledgment and Research (BAR) in 1989. We submitted an extensively documented petition in 1994 and submitted additional supplemental documentation in 1996. All of the documentation we submitted presents evidence to prove to the BAR's satisfaction that our Tribe meets each of seven mandatory criteria required to be met in order to be recognized. This material includes historical, anthropological and genealogical data; newspaper and other articles written over decades which talk about the Paucatuck Eastern Pequot; oral histories of tribal members; information about the Paucatuck Eastern Pequot's tribal council meetings and membership criteria; descriptions of tribal activities and events, and issues in which Paucatuck tribal leaders have been active both historically and in this century; and other material.

On April 2, 1998, the petition of the Paucatuck Eastern Pequot Tribe was placed on "active consideration." On March 24 of last year, the Assistant Secretary for Indian Affairs signed a positive Proposed Finding, recommending that the United States affirm that a government-to-government relationship exists between the federal government and our Tribe. We are currently in a comment period, during which we as well as interested parties may comment on the BAR's analysis of our case as set forth in the Proposed Finding. While our initial positive Proposed Finding was a hugely significant event for the Tribe, we know that the process is not yet over, and may continue for several more years until we finally achieve federal recognition.

Going through the administrative process for federal recognition is both extremely expensive and lengthy for petitioning groups. We do recognize the seriousness of this government-to-government relationship and its accompanying rights, benefits and responsibilities. However, from our experience and that of others, it is also clear that the BAR staff—which must review and analyze literally tens of thousands of pages of documentation about each petitioner in fulfilling the acknowledgment functions of that office, not to mention additional research responsibilities assigned to the office by and for the Department—is trying to conduct a challenging task with inadequate staff and resources. BAR and the Department have been criticized for the fact that over the past several years, the BAR has issued about one Proposed Finding or Final Determination on a petitioning group per year. Add to this slow pace the fact that the BAR office is faced with an overwhelming backlog of pending petitions. As of last November, BAR had 14 petitions under "active consideration," or on which BAR staff is actively working. Further along in the process were 10 Proposed Findings, and several Final Determinations to which the staff were required to respond. Eleven petitioners have submitted all the required documentation, and are waiting for BAR staff teams (historian, anthropologist and genealogist) to become available to review them under "active consideration." On top of this, there are more than 50 more petitioning groups which have submitted some documentation to the BAR and are in the process of submitting additional information, and more than 100 other groups who have expressed interest in submitting the necessary documentation to prove they meet the criteria for recognition, but have not yet done so.

One of this Tribe's great frustrations in the acknowledgment process, even under "active consideration," when we knew the BAR staff was reviewing our documentation, drafting their technical reports and conducting peer reviews on their recommendations, was that there was no or minimal communication from the BAR. There is little or no opportunity for dialogue between the petitioner and the BAR, even to get a status report on where BAR is in the process of their review, or when certain materials which, in our case, we had requested under the Freedom of Information Act, might be made available to us. When we have raised this concern with the BAR, staff have told us they are too shorthanded to respond to petitioner inquiries. We learned that when the BAR receives requests for documents under FOIA and similar inquiries, staff must stop the research they are conducting in order to stand at the Xerox machine or review and redact documents before they can be copied.

For the Paucatuck Eastern Pequot Tribe, this issue has come dramatically to a head in the last few weeks with recent developments concerning our petition.

In mid-January of this year, the State of Connecticut and the Towns of North Stonington, Ledyard and Preston, CT, filed suit in the federal district court for Connecticut against the Department of the Interior (*Connecticut* v. *Interior*). Among other things, the plaintiffs are seeking the unprecedented remedy of having the Bureau of Indian Affairs set aside our Proposed Finding, and of forcing the Paucatuck Eastern Pequots back to the start of the acknowledgment process.

We sought to intervene in the litigation. On March 27, U.S. District Court for the District of Connecticut Chief Judge Covello issued an order acknowledging the right of the Paucatuck Eastern Pequot Tribe and the Eastern Pequot Tribe to intervene as a matter of right based on the implications of the case for the rights of the tribe.

Then on March 30, Judge Covello entered a scheduling order in the case, which sets out a schedule for the BAR, as well as for us as a petitioner. The scheduling order calls on the BIA to respond fully to all remaining document requests of the parties to the litigation no later than May 4. The State and the Towns must comply with all FOIA requests filed by the Tribes under State law on that date as well. By August 4, all interested parties and the petitioners must submit to the BIA their comments on the March 24, 2000, Proposed Findings. By September 4, the petitioners must submit their responses to the BIA. By October 4, the BIA must commence consideration of all of the evidence before it on the petitions, and by December 4 it must publish its Final Determinations in the Federal Register. Judge Covello has retained jurisdiction over the processing of the petitions, and will do so until the process has been completed.

In addition to Judge Covello's order, it is our understanding that the federal courts have directed that BAR comply with a schedule for the processing of one other petition, and that a schedule is being negotiated for a fourth petitioner. It is unfortunate that when the process takes such a long time, the courts must get involved to provide a time frame and, ultimately, a decision about a petitioner's tribal status. Given that BAR has basically issued one decision per year, we are not sure how BAR could comply with court directives in several recognition cases without a significant increase in staff and resources.

We are aware that last year, several members of Congress urged that additional resources be made available to the BIA for BAR in order to facilitate the processing of recognition determinations. While funding for additional staff will not make the recognition process less controversial or be a "magical solution," it will surely aid in the processing of petitions within the timelines set by the regulations.

On behalf of the Paucatuck Eastern Pequot Tribal Nation, thank you for this opportunity to submit this statement on fiscal year 2002 appropriations for the Branch of Acknowledgment and Research.

PREPARED STATEMENT OF THE MOHEGAN TRIBE OF INDIANS OF CONNECTICUT

Mr. Chairman, my name is Mark Brown and on behalf of my tribe, the Mohegan Tribe of Indians, I thank you for this opportunity to provide written comment on the President's budget request for the Indian Health Service ("IHS") and the Bureau of Indian Affairs ("BIA"). In particular, I wish to comment briefly on one matter that surfaced several months ago that may have had a negative impact on public opinion of our Tribe.

BACKGROUND

In the early 1600's, the Mohegan Tribe held a large portion of what is now eastern Connecticut. The size of our territory plummeted as a result of wars with some European settlers and some neighboring tribes and the abject failure of the State of Connecticut and the United States to enforce the Federal Trade and Intercourse Act of 1790. Despite the powerful forces arrayed against us over the next several centuries, the Mohegan Tribe was able to hold on to a small tract of tribal land around Mohegan Hill in Uncasville, Connecticut. It is on this site that the Mohegan Church, still standing today, was first built in 1831. Also in 1831, Mohegans opened a museum which today continues to operate as the oldest tribally-run Indian museum in America.

In 1994, after more than 16 years of tireless efforts to persuade the United States that our Tribe had an historical and continuous presence as a tribal community in eastern Connecticut, we obtained Federal recognition and a formal declaration by the United States that it has a government-to-government relationship with the Mohegan Tribe.

Today, the Mohegan Tribe provides governmental services through programs or departments in the following areas: comprehensive social services, fire fighting, emergency medical services, law enforcement, health and building inspections, civil regulatory authority, housing, planning and economic development, council of resources, youth services, education, environmental health, finance, cultural resources, human resources and community outreach.

In 1996, our Tribe opened the Mohegan Sun Resort, our tribally-managed casino in rural southeastern Connecticut.

Since the day we opened the Mohegan Sun and began to generate tribal revenue, we have voluntarily returned substantial grant funds to Federal agencies. Our Tribe, like other tribes, has a valid claim to receive these funds due to our relationship with the United States and agreements involving our loss of land. But we have begun to return Federal funds because the governmental revenues we are deriving from gaming promise to soon enable our Tribe to be self-sufficient, meeting the needs that were addressed in the past only by Federal grants.

The Mohegan Tribe has been concerned that our own action to return funds would be misunderstood to be an abandonment of our special relationship with the United States, or that it would be misused to pressure other tribes to follow our path. Accordingly, we have stated repeatedly, in our return of funds agreements with BIA and IHS, that any decision to return funds is one that should be made only by a tribal government for itself, in its own time and in its own way. It would violate fundamental principles of sovereignty for such a decision to be imposed upon a tribal government by another government.

Tribal gaming has opened a new future to us. The Mohegan Tribe now has, for the first time in generations, the revenue to operate as a full-fledged government. It is perhaps axiomatic that a government that does not use its power tends to lose it. It is equally true that without sufficient revenue, a government has little ability to use its power.

Our Tribe has in the last five years devoted considerable sums to creating the social and physical infrastructure that for so long was denied our people and our land. For example, we have spent $35 million for road improvements.

RETURN OF FUNDS

The Mohegan Tribe has exercised its right to return funds to both the BIA and the IHS, as well as to several other Federal agencies. Thanks to the language inserted by this Subcommittee in the annual appropriations act for the past two years, it is made expressly clear that our return of BIA funds in no way may be seen as jeopardizing or diminishing our government to government relationship with the United States, nor the trust obligations of the United States towards the Mohegan Tribe. The Subcommittee may wish to consider broadening the language to cover funds returned to the IHS or any other Federal agency.

The Mohegan Tribe has insisted that the funds we return to BIA and IHS be reallocated directly to other tribes in the eastern United States for their use. We have specifically placed this as a condition upon our return of funds, because the lessons of history have taught us that, without such restrictions, the Federal bureaucracy may divert the money to matters of questionable, and at best, only indirect benefit to Native Americans.

Given all this, we were alarmed two months ago to read accounts in several national newspapers alleging that the Mohegan Tribe had returned its Federal appropriations to the BIA in order to pay the costs of moving a BIA office from northern Virginia to Nashville. Nothing could be further from the truth If the BIA were to use our returned funds in this manner, it would be a patent violation by the BIA of our agreement. Our Tribal Council approved the return of these funds only on the condition that the funds would be sent directly to other federally-recognized tribes in the eastern United States and devoted to services for needy Indians.

The Mohegan Tribe would highly value any assistance the Subcommittee might give us in correcting the misunderstandings caused by these erroneous news accounts. We also seek your continuing vigilance in assuring that our return of BIA and IHS funds appropriated for our benefit in no way jeopardizes or diminishes the trust responsibility owed to us by the United States nor the special government-to-government relationship we share.

Finally, we urge you to work with the Administration and your colleagues on Capitol Hill to dramatically expand the amount of federal funding devoted to tribal programs.

On behalf of the Mohegan Tribe of Indians, I thank you for this opportunity to provide testimony relating to the fiscal year 2002 budget request.

PREPARED STATEMENT OF THE UTE INDIAN TRIBE OF THE UINTAH AND OURAY RESERVATION

INTRODUCTION

My name is O. Roland McCook, Sr. I am Chairman of the Tribal Business Committee of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah. I am providing this written testimony in support of the Department of the Interior's pro-

posed appropriation toward settlement of water right claims held by the Ute Indian Tribe. The appropriation of $24.728 million is included within the Bureau of Indian Affairs' proposed budget for "Indian Land and Water Claim Settlements." It is in partial fulfillment of the obligations and promises made by the United States to the Ute Tribe in 1965, and reconfirmed by Congress in 1992. Those obligations and promises are set forth in the Ute Indian Rights Settlement, Title V, Public Law 102–575, 106 Stat. 4600, 4650 (Oct. 30, 1992). The purpose of the Settlement is, in part, to settle long-outstanding claims held by the Tribe relating to the failure to construct features of the Central Utah Project ("CUP") contemplated in the September 20, 1965 Agreement between the Tribe, the United States and the Central Utah Water Conservancy District ("CUWCD").

The Ute Indian Tribe is pleased with the opportunity to present its views to this distinguished Subcommittee. The Tribe looks forward to working with the members to assure passage of the proposed appropriation, which will provide a critical step in completing the funding of the Tribe's Settlement; funding that is vital to the economic development of the Tribe, its members and the surrounding community.

THE UTE INDIAN TRIBE

The Ute Indian Tribe is made-up of three bands, the Uintah, Whiteriver and Uncompahgre. The Reservation is made up of two separate reservations: the Uintah Valley Reserve established in 1861; and the Uncompahgre Reserve established in 1882. Together they encompass nearly 4.5 million acres of Indian trust, fee and federal land. Approximately 1.4 million acres of Reservation land are held in trust for the Tribe.

Approximately 3,300 tribal members live on the Reservation. They suffer from the highest unemployment rate in the entire Uintah Basin. While the Reservation is blessed with oil and gas resources, employment opportunities are limited. Other employment opportunities are proscribed by the lack of additional economic development. The Tribe and a few tribal members do engage in agricultural enterprises that provide limited economic returns. Fish and wildlife resources are extremely important to the Tribe and could, if properly developed and managed, offer greater economic opportunities.

As I previously noted, in 1965 the Tribe, United States and CUWCD entered into what is commonly referred to as the Deferral Agreement. In that Agreement, the Tribe deferred the development of over 15,000 acres of tribal land, thereby making available up to 60,000 acre-feet of water annually to assure a sufficient water supply for the Bonneville Unit of the CUP. That Unit is the principal component of Utah's water supply future. It is one of the most complex and expensive transmountain diversion projects ever built by the Bureau of Reclamation. The project diverts water, including the 60,000 acre-feet made available by the Tribe, from the streams in the Uinta Basin and transports the water westward to Salt Lake and Utah counties. In exchange for its substantial and essential contribution, the Tribe was to receive a substitute water supply from projects proposed as the final stages of the CUP. Those projects were never built and the replacement water never delivered. If the Settlement is fully funded no later that January 1, 2005, the Bonneville Unit will be able to continue to divert a full water supply to the greater Salt Lake City area. If not, the Tribe can proceed with the development of its land and exercise its water rights.

THE UTE INDIAN RIGHTS SETTLEMENT

The Settlement was enacted in October, 1992. The facts surrounding this Settlement make it distinct from other Indian water settlements. In 1965, the United States entered the Deferral Agreement, a contractual obligation with the Tribe which it failed to fulfill. The Settlement represents substitute consideration for the substitute water supply promised in 1965, not enticement to enter a settlement of the Tribe's water right claims. Below is a brief summary of the status of the appropriations previously made by Congress as authorized in the Settlement, and the development the Tribe has undertaken with those funds.

Section 504—Farm Assistance Programs.—Congress has fully funded the Tribe's farming programs, found in section 504 of the Settlement. The Tribe has utilized those funds to: (a) construct a tribal feedlot, which has been completed and is now in full operation; (b) provide assistance to over 100 small farm and ranch operations owned and operated by tribal members; (c) improve the water delivery system in the Uintah Indian Irrigation Project by piping open ditches and installing sprinklers; and, (d) establish a tribal farming co-op which provides equipment and on-farm labor to small tribal farmers. The Tribe's agricultural operation employs full-time tribal members.

Section 505—Stream Habitat, Environmental and Recreational Improvements.—Section 505, which provides funds for various stream and habitat improvement projects, has been partially funded. The Tribe has used a portion of these funds to establish an Aquatics Department that has actively undertaken stream and fishery habitat improvements and has developed extensive in-house data collection and technical review capabilities. The Tribe also has implemented several big game programs designed to enhance and properly manage the Tribe's wildlife resources. The Fish and Wildlife Department, including the Aquatics Department, employs approximately 35 full or part-time tribal members in activities directly related to programs funded under section 505. The remaining amounts approved under Section 505 are not included in the proposed fiscal year 2002 appropriation.

Section 506—Economic Development Programs.—Appropriations for the "Tribal Development Fund", the largest and most important component of the Settlement, began in fiscal year 1997 and have continued through fiscal year 2001 in annual amounts of $24–$25 million. The entire $24.728 million proposed for the Tribe's fiscal year 2002 appropriation is for the Tribal Development Fund. The purpose of the Fund and economic projects undertaken by the Tribe are described more fully below.

THE TRIBAL DEVELOPMENT FUND

Section 506 of the Settlement establishes a Tribal Development Fund "to be appropriated [in] a total amount of $125,000, 000 to be paid in three annual and equal installments. . . ." (Due to inflation factors statutorily applied to the 1992 authorization, the authorized amount has increased over the past six years to approximately $145 million.) In fiscal years 1997–2001 appropriations for the Development Fund did not meet the statutory requirement of equal one-third installments. Instead, Congress reduced the appropriations and adjusted future appropriations in accordance with section 506 (b). Subsection (b) provides that an adjustment will be made by the Secretary to represent the interest income "that would have been earned on any unpaid amounts" if Congress failed to fully fund the Development Fund in three annual and equal installments. As a result, the fiscal year 1998–2001 appropriations included approximately $13.685 million in penalties. The fiscal year 2002 includes a $2.763 million penalty.

The Settlement limits the Tribe to spending only the interest derived from the Section 506 Development Fund on its economic projects. The principal amounts appropriated by Congress are invested by the Tribe through the Department of the Interior's Office of Trust Fund Management. Following receipt of the fiscal year 1998 appropriation, the Tribe retained two independent financial consultants and began a broad review and analysis of potential on-Reservation economic development programs. As a result of that process, the Tribe has completed the construction of a much needed full service grocery store, centrally located on the Reservation, and two truck stops/mini marts. All three are now in successful operation and employ approximately tribal members. The Tribe has completed the environmental review process and is no constructing a water bottling facility which should be online by May, 2001. A rural business and re-lending company, Ute Finance Company, is operating and offering loans and financial assistance to local entrepreneurs. Just this month, the Tribe opened Uintah River Technology, a data entry and processing business that already has six contracts in place. The Tribe invested $2.3 million in the business in partnership with Oracle Corporation and Affiliated Computer Services. At present, URT employs more than 30 people and could train and employ up to 300 people, most tribal members, within a year.

As these projects demonstrate, the Tribe has been extraordinarily successful during the first four years of its economic development program in establishing much needed on-Reservation services on the Reservation as well as obtaining a much needed position in the technology industry. There are many other economic opportunities available on and off the Reservation which will allow the Tribe to fulfill its comprehensive, long-term economic development plan. The § 506 Economic Development Fund is the cornerstone of that development, and the fiscal year 2002 appropriation must be fully funded to ensure that those opportunities are realized.

THE PROPOSED FISCAL YEAR 2002 APPROPRIATION

Congress clearly recognized and understood in 1992, that the Development Fund is the critical component of the Tribe's efforts to secure economic self-sufficiency in the future. That process cannot be fully implemented until funding is complete. The proposed appropriation of $24.728 million is a reduction from prior years and cannot be reduced any further. Any further reduction would seriously threaten Congress' ability to meet the January 1, 2005 deadline (fiscal year 2004) for full funding of this Settlement.

There are fiscally related reasons for supporting the full $24.728 million appropriation recommended in the budget. The United States is required to pay an annual penalty for its failure to fully fund the Development Fund in three equal annual installments and the inflation factor further increases the amounts owed to the Tribe until the Settlement is fully funded. It makes good long-term (and short term) sense to make the full recommended appropriation because failing to do so costs the United States additional money. The fiscal year 1997–2001 funding levels were less than required under the Settlement. As a result, those appropriations have included $13.685 million in penalty payments to the Tribe. Any greater reduction than is already proposed in the fiscal year 2002 appropriation results in a increased penalty in that and subsequent years. Finally, funding at any amount less than the proposed fiscal year 2002 appropriation level may well assure that the January 1, 2005, deadline established in the Tribe's Settlement will not be met. That failure potentially carries with it severe financial repercussions as well as the potential loss of substantial quantities of water to the greater Salt Lake City area.

The proposed $24.728 million appropriation falls well short of what was clearly anticipated and promised by Congress in 1992. It does not amount to a full one-third of the overall authorization and it does not replace the shortfalls from previous years. At the proposed rate, the Tribe's Settlement will not be fully funded until fiscal year 2004, 12 years after its enactment. Until then, the Tribe can initiate only limited economic development programs that do not come close to that envisioned by Congress and that are essential to the future of the Tribe, its members and the surrounding community. Despite its shortcomings, the proposed fiscal year 2002 appropriation will provide the Tribe with another essential piece in completing its economic development plan and the Tribe fully supports any requests this Subcommittee's support of the proposed appropriation of $24.728 million.

CONCLUSION

On behalf of the Tribal Business Committee of the Ute Indian Tribe, I would like to express my gratitude to the Subcommittee for this opportunity to present the Tribe's statement in support of the proposed appropriation of $24.728 million for the Tribe's Settlement. The Tribe and the United States have worked together for many years to realize the economic benefits promised when the Tribe provided access to water and assured the completion of one of the West's grandest water development projects—the Central Utah Project. We are very close to completing what has been a long and tumultuous process. The proposed appropriation for fiscal year 2002, is a critical step in bringing this matter to a close, and fulfilling the obligations undertaken by the United States in 1965, and reaffirmed by Congress in 1992.

Thank you.

PREPARED STATEMENT OF THE NATIONAL INDIAN GAMING COMMISSION

Mr. Chairman, Mr. Vice-Chairman and members of the Committee, thank you for the opportunity to present testimony on the National Indian Gaming Commission's (NIGC) fiscal year 2002 appropriations request. I believe that we are entering a new era in the area of tribal governmental gaming and the regulation of the industry. As the industry expands, it is critical that the NIGC have the resources to provide proper oversight of the $10 billion and growing Indian gaming industry.

The Commission seeks an appropriation of $2 million as authorized by the Indian Gaming Regulatory Act of 1988, 25 U.S.C. 2718.

The NIGC is an independent federal regulatory agency of the United States established pursuant to the Indian Gaming Regulatory Act of 1988, 25 U.S.C. 2701 et seq., to provide regulatory oversight of gaming activities conducted on Indian lands. It is associated with the U.S. Department of the Interior for administrative purposes. The Commission is comprised of a chairman and two commissioners, each of whom serve three-year terms.

The Commission's mission is to regulate gaming activities on Indian lands for the purpose of shielding Indian tribes from organized crime and other corrupting influences; ensuring that Indian tribes are the primary beneficiaries of gaming revenues; and assuring that gaming is conducted fairly and honestly by both operators and players. To effect these goals, the Commission is authorized to conduct investigations; undertake enforcement actions, including the issuance of notices of violation, assessment of civil fines, and/or issuance of closure orders; conduct background investigations; conduct audits; review and approve tribal gaming ordinances and management contracts; and issue such regulations as are necessary to meet its responsibilities under the Act.

The Commission became operational in 1993, operating on a $3 million start-up budget until 1998, when Congress increased its authority to assess fees on gaming operations up to a limit of $8 million. Currently, the Commission is funded entirely through fees assessed on gross revenues of tribal gaming operations.

The additional resources did not become available for use by the Commission, however, until 1999, due to litigation. Once available, the Commission initiated a systematic expansion of its operations. Since then, the Commission has established five regional offices: Portland, Oregon; Sacramento, California; Phoenix, Arizona; St. Paul, Minnesota; and Tulsa, Oklahoma and increased its staff to 72 FTE. It also established an Audits Division and an Office of Self-Regulation.

RAPID TRANSFORMATION OF THE REGULATED INDUSTRY

Since passage of IGRA, the Indian gaming industry has undergone a rapid transformation. In 1988, the industry was comprised of a handful of small operations producing approximately $500 million in annual revenues. Since that time, it has expanded to more than 300 operations producing more than $10 billion in 2000. With the passage of Proposition 1A in California in March 2000, another dramatic surge in the growth of the industry is underway.

Of the 109 federally recognized tribes in California, 62 have signed compacts and 74 have approved gaming ordinances. The California compact allows each compacting tribe to operate up to 2 facilities. The potential number of operations totals 148. The maximum level would be 218 or more than half of the total number of operations currently operating nationwide. The following table provides a snapshot of gaming in California and a conservative estimate of what the Commission anticipates in the near couple of years:

—2000—39 gaming operations
—2001—40 open; 8 under construction and due to open
—2002—48 open; 14 under construction
—2003—62 open

Industry experts project that by 2005, California Indian gaming revenues alone will exceed $6 billion, more than half of the $10 billion in revenues produced today nationwide.

INCREASED DEMANDS ON COMMISSION OPERATIONS DUE TO GROWTH

The Commission has increasingly come to realize that the unexpected growth of the California Indian gaming industry is of such magnitude that it is straining the Commission's resources. Moreover, the California gaming compact has strict timeframes in place, creating an urgency that the Commission cannot accommodate on its current budget.

Gaming start-ups are the most resource intensive phase of activity for the Commission because all operational components are affected. The California expansion involves a substantial number of start-ups as well as tribal expansion into Class III gaming activities. Accordingly, numerous tribes must enact or amend their gaming ordinances; execute management contracts; and comply with the National Environmental Policy Act; all of which must be reviewed and acted upon by the Commission. The Commission is also responsible for conducting criminal and financial background investigations, making suitability determinations, and processing fingerprints for gaming operation employees. Moreover, the Commission's Office of General Counsel is responsible for determining the land status of each proposed gaming operation. We have also invested significant time and effort in training tribal regulators who will share regulatory responsibilities over these new operations.

Given this spike in the workload, the Commission requires additional resources to prevent backlogs and to process actions requested on tribal ordinances, management contracts, and background and criminal history checks in fiscal year 2002.

The Commission is also aware that even though the start-up workload will diminish over the next couple of years, the increased size of industry is permanent. The Commission must take steps now to strengthen its organizational capacity in order to ensure the adequacy of its regulatory oversight. It is particularly important at this stage for the Commission to strengthen its Audit Division given the explosive growth of the industry. Audits are very time and resource intensive, but the use of compliance and investigative audits is the most important and effective means for ensuring the integrity of the industry.

PLAN TO ADEQUATELY RESPOND TO INDUSTRY GROWTH

Based on independent studies of cash intensive industries, the Commission believes that it should be validating the internal control systems of 20 percent of Tier C (over $10 million) gaming operations on an annual basis and, in conjunction

therewith, validate at least 10 percent of gross gaming revenue conducted by this group. In regards to Tier A and B (less than $3 million & $3–10 million respectively) properties, the objective would be to examine 10 percent of those gaming operations and 5 percent of their gross gaming revenue. Considering the impending growth over the next few years, satisfaction of these objectives would involve the conduct of about forty compliance audits annually or about four times what the Commission is now able to accomplish.

To shore up this aspect of its operation, the Commission needs the authorized $2 million appropriation to modestly increase the staffing of its Audit Division and to otherwise alleviate the strain on the Commission's resources. The appropriation would NOT allow for any significant expansion of the Commission, rather, it would keep the Commission operational at its current level of staffing and would allow for possibly 3 additional FTE.

With 20 new operations opening within such a short amount of time and more expected over the next several years, the Commission's Sacramento office is stretched very thin, and will find it increasingly difficult to meet its oversight goals as soon as next year. Again, start-up demands are particularly intense, requiring a high level of technical assistance and on-site activity. Maintaining the capacity to provide advice and technical assistance at this stage of gaming is key to minimizing future non-compliance problems. Higher levels of voluntary compliance reduce the need for costly enforcement actions, which in turn reduces the litigation potential.

Another area of critical concern is the environmental compliance. Until recently, NEPA compliance was a relatively minor aspect of the process. On the average, the Commission handled about 5 NEPA reviews per year, and almost always as cooperating rather than lead agency. Currently, the Commission is handling twenty-one NEPA submissions, twelve of which are from California. Of the total, the Commission is the lead agency on twelve. The following chart illustrates the Commission's NEPA workload for fiscal year 2001 and 2002:

	Chart
Management Contracts, with a NEPA Component, Currently under Review:	
NIGC Lead Agency	12
NIGC Cooperating Agency	9
Projects Located in CA	12
Total Number of Current Projects	21
Anticipated Submissions of Management Contracts with a NEPA Component, in 2002:	
NIGC Lead Agency	7
NIGC Cooperating Agency	3
Projects Located in CA	7
Total New Projects	10
Carryover work from 2001	11
Total workload 2002	21

At present, the Commission lacks the internal capacity to handle all requisite aspects of NEPA compliance or sufficient resources to secure the needed expertise outside the agency. Inadequate capacity in this area will increase the Commission's vulnerability to litigation that will cause additional depletion of the Commission's limited resources.

Over the past two years, the Commission has worked very hard to improve its institutional infrastructure. As part of its planning for the 2000 expansion, the Commission undertook a management review process in 1999. Several areas needed immediate attention and several more were to be completed in phases. A new Y2K compliant central computer network with sufficient capacity to support the computing needs of the entire organization has been installed. Antiquated desktop computers have been replaced with reliable new hardware equipped with up-to-date software programs and the obsolete database has been replaced. The next step is to upgrade the central records and document management systems, and install a new financial management system to ensure continuing accountability. These important final phases are in jeopardy given the present resource limitations.

The Commission's request for a $2 million appropriation will allow the agency to function for another year at its current size and capacity. This will also provide the

Commission with the time to assess the industry and accurately project the Commission's future resource needs.

I urge your support for the National Indian Gaming Commission's request, and I look forward to working with you to strengthen the National Indian Gaming Commission's ability to oversee this growing industry. Thank you.

PREPARED STATEMENT OF DIBE YAZHI HABITIIN OLTA, INC.—BORREGO PASS SCHOOL

The Dibe Yazhi Habitiin Olta, Inc., also known as Borrego Pass School is a Public Law 100–297 Tribally Controlled Grant School to provide educational services in grades Kindergarten to eight from Littlewater, Casamero Lake and neighboring communities. The Governing Board wish to highlight several critical areas of the nation's budget which we hope will receive favorable increased funding in fiscal year 2002: Administrative Cost Grants, Student Transportation, Indian Student Equalization Program Formula Funds, Educational Programs (Special Education, Gifted Education, Bilingual Education), Replacement School Construction, and Facility Management.

There is a specific promise and obligation on the part of the Federal Government to provide education to the Navajo people in the Treaty of 1868. Though the language of that treaty provision is considerably out of date, the obligation continues through a series of laws enacted by the United States Government. During the last half of the 20th Century, the Navajo attitude toward education underwent significant changes. Navajo people gradually began seeing education as the path to the future instead of the method of the dominant culture to steal the souls of the Navajo children. While the Navajo people do not wish to lose their culture as a people in the process, the dominate society's educational process is now viewed as having a value and has long been a top priority of the Navajo people.

The Fiscal Year 2001 Budget Request for BIA Education.—The Governing Board of Borrego Pass School strongly supports the President's Budget Request with certain exceptions as noted. The testimony statement will identify certain programs and line items which Borrego Pass School views as particularly beneficial as well as some areas where the amounts requested appear inadequate thereby increase levels are noted.

ADMINISTRATIVE COST GRANTS

Tribally controlled Grant and Contract schools are facing critical shortfalls in their administrative budgets, they are operating at less than 80 percent of the funding necessary for quality management and maintenance of a school. These schools receive their administration funds through Administrative Cost Grants (ACG), a formula-based method created by Congress to calculate the amount of funds that should be provided for the administrative and indirect cost expenses incurred in the operation of the Grant and Contract schools programs—similar to "contract support" costs provided to non-Grant and Contract school contractors. The ACG formula was designed as a compromise, a minimum calculation of the administrative cost necessary for quality management of tribally controlled schools. When 100 percent of these costs are not funded, these schools are set-up for failure.

The impacts of these shortfalls are far from abstract. Tribally controlled schools have been forced to make reduction-in-force that cost them vital, well-trained administrative staff. The remaining staff struggles under the stress of being overloaded with the work of multiple tasks and responsibilities. Some schools have had to convert their administrative staff to a 10-month employment status for the school year, leaving them ill-prepared to close out the administrative work of previous school year and to prepare for the coming school year and annual audit. Reduced funding jeopardizes the ability of schools to comply with the internal controls needed for quality fiscal and personnel management. For example due to the shortage of funding, Borrego Pass School (BPS) has been unable to hire a Human Resource Personnel, or Compensatory Program Coordinator.

The BPS, Governing Board supports the increased funding requested by the President; however since this line item is forward funded and it will be inadequate to fully fund the Administrative Cost Grant formula at the 100 percent level. Grant and Contract schools that are receiving only 80 percent will receive an even lower percentage of what the formula generates. This, the Board feels undermines the Federal initiative to encourage self-determination. While this formula is not technically a needs based formula, the amount calculated becomes an amount the schools budget for and count on when planning their school budgets. The Governing Board estimates that 100 percent funding for this line item would be at least $55 million.

In the recent months the current tribally controlled schools have being informed that the Bureau has viewed the administrative cost grant, based on the issue concerning the conversion of additional BIA schools to Grants and Contract schools. In order to accomplish the bureau has set aside resource funds for these conversions out of the ACG funds. This would consequently reduce the ACG allocation drastically, if the schools were funded at 80 percent.

Therefore, the Borrego Pass School, Governing Board ask that schools be awarded 100 percent at $55 Million, not pro rated amounts, set aside funds separately for conversion schools, and exclude the recent Interior Appropriation measure for capping Administrative Cost Grant funding.

STUDENT TRANSPORTATION

Borrego Pass School is located at the base of a 7,500 feet mountain pass near the crest of the Continental Divide in the mid western part of New Mexico. The school is a small rural K–8 educational institution with students spread out among five Navajo Chapter Communities. The students travel an average of 43 miles to school on dirt/unimproved roads, compounding the problem during inclement weather. These treacherous conditions place a great deal of wear and tear on our school buses and other school vehicles. The closest bus maintenance and service location is a 130 mile round trip for minor services, while it requires 175 miles for major repair services.

The level of funding requested will ensure that the program will not be able to operate without subsides from other parts of the school budget. The level of funding for this program has been very disappointing over the past several years. A minor increase will not handle the extra costs associated with maintenance and repair, including the increase of fuel costs.

The New Mexico State Student Transportation mileage rates are higher than the BIA generated mileage rates. In the current school year, the Bureau funded transportation rate is $2.30 per mile, far short of the nationwide average of $2.92 that was reported to public schools. The fiscal year 2001 budget included less than a $200,000 increase in funding for student transportation. The sharp increases in fuel costs over the past year have made increased funding for student transportation absolutely necessity. With wear and tear, including repair cost well above average due to our remote isolation and GSA rental and mileage rates escalating, our student transportation costs have gone beyond what the program generates.

The BPS Governing Board does not agree with the current mileage rate used to generate transportations funds to transport students to and from home to receive their education. If BIA transportation reimbursement rates continue to lag behind actual costs for student transportation in fiscal year 2002, the school will be forced to continue to use a distressing percentage of our academic funds to supplement our inflexible transportation costs. This shortchanges our students and forces the school to stretch our extremely limited education dollars even further.

Therefore, the Borrego Pass School Governing Board ask that Congress increase the BIA budget for student transportation to a level that can at least support a reimbursement rate of $3.00 per mile, which is estimated would require approximately $44 million.

INDIAN STUDENT EQUALIZATION PROGRAM (ISEP)

The President is requesting an increase in this line item, which pays for the basic school program. This should cover the salary cost increases and the increase in the number of students, which is expected by SY 2002; however, it will do little toward enhancing the school educational programs. While a great deal is being done within the budget, this amount of increase for the basic school program is still disappointing to those who must oversee and operate schools at this level of funding. These funds are sometimes used to supplement under funded programs such as Student Transportation and Facility Management. A level of $4,000 per Weighted Student Unit (WSU) would result if an appropriation of $362 million and would greatly enhance the basic school programs.

In fiscal year 2002, Congress took a step in the right direction, agreeing to a desperately needed $14 million increase in funding for ISEP formula funds, that resulted in a final funding level of $330.8 million. But even with this increase, the Board estimates based on BIA projections that the resulting WSU would be approximately $3,650 for school year 2001–02. This level of basic educational funding is still woefully inadequate when compared with similar expenditures for students in any other school system in the U.S. Unless additional ISEP funding is provided, the school will continue to face a large turnover of qualified and experienced teachers,

decreased instruction hours, teacher layoffs, and teacher salary freezes, including incomplete staffing.

The Department of Defense (DOD) teachers pay was increased as an incentive for DOD schools to recruit and retain quality teachers at isolated, remote locations, and continues to increase approximately three percent per year. However, the salaries for Grant and Contract schools are still well below what is generated by DOD schools.

Therefore, the Borrego Pass School Governing Board ask that Congress appropriate at least $360 million for the ISEP Formula program in fiscal year 2002, which the Board estimates would yield a WSU of approximately $4,000 per weighted student unit. By funding ISEP at this level Congress could come closer to offering educational opportunities to Native American students that are more comparable to those enjoyed by other children in this country.

EDUCATIONAL PROGRAMS

The Borrego Pass School Governing Board praises the President for requesting additional funding for Educational programs needed to provide for: (1) ISEP, (2) Family and Child Education (FACE) and (3) Therapeutic Residential Model sites. However, additional resources are needed to assure the Bureau attains its mission goal of providing quality educational opportunities from early childhood through life in accordance with the Tribal needs for cultural and economic well being in keeping with the wide diversity of Tribes and Alaska Native villages as distinct cultural and governmental entities. The President's long-term goal is to improve the succession students to each educational level from early childhood to job placement by the end of School Year 2004–2005.

Since 1988, Bureau funded schools have made significant progress in reaching accreditation. When school operation funding does not meet the enrollment increase, accreditation rates decrease and the quality of education programs decline. Other performance indicators, such as retention rates and dropout rates are directly related to the quality of education being provided. Some additional factors that contribute to the increased costs of providing quality educational services include the following:

(1) Bilingual Education: the education needs of Indian youth are greater given the poverty level on Indian reservations as well as the tribal cultural and linguistic diversity.

(2) Technology: with schools located in geographically dispersed and predominantly in remote rural areas. The needs for technology are far higher than those of their urban counterparts to maximize learning opportunity and to ensure the general well being of Indian children.

(3) Gifted Education: with the schools geographical disparity the educational needs for the gifted Indian youth is greater due to the fact of limited educational resources and opportunities.

(4) Special Education services: funding for special education and related services needs to be funded and an adequate level to provide specialized student transportation, occupational/physical therapy, counseling services, audiology and psychological services.

(5) Grade Level Expansion: the Navajo Nation student population is young and is growing according to the 2000 census. Bureau funded schools annually feel the impact of this population trend and increase. However, Congress has continued to keep costs down in Bureau school system by imposing a moratorium on all new and expansion of grade structure in current Bureau funded school.

Therefore, the Borrego Pass School Governing Board ask that Congress appropriate adequate funding for these Educational Programs in fiscal year 2002, which would allow schools to provide quality educational opportunities for students. The funding for these programs Congress could come closer to offering educational opportunities to Native American students that are more comparable to those enjoyed by other children in this country.

FACILITIES/QUARTERS CONSTRUCTION

The BPS Governing Board commend Congress for funding construction of the first six schools included on the BIA's school construction priority list in the fiscal year 2001 budget. In fiscal year 2002 the Board hopes that Congress and the Administration will work together to fund the remainder of the top priority list for this year, and additional 13 schools. This budget request finally proposed funding which is commensurate with the enormous backlog, which exists. For years the Governing Boards have attempted to bring the extreme problems related to school facilities to

the attention of the Administration and the Congress, and we are thankful for the funding level given in fiscal year 2001.

Even with this increase schools such as BPS will still need additional funding to address the student population increase for grade level expansion (Early Childhood and 9–12 grades), and additional professional staff is needed to provide quality instructional services and adequate housing needs. Because of the isolation factor, housing accommodations is a priority, therefore, becomes a major issues in maintaining and retaining full-time staff on a yearly basis. Inclusively our school is located in a remote area in which many for our staff have to frequently travel some distances to purchase and care for their personal needs. The school currently needs an additional 12 units to accommodate our current staffing pattern.

Therefore, the Borrego Pass School Governing Board ask that Congress continue appropriation at a level adequate to meet the construction need of all Bureau funded schools. Facilities Operation and Maintenance funding at 100 percent and to eliminate the current constraint of 25 percent. The President's request of $802 Million to fund Facilities Improvement and Repair for the backlog of FI & R projects is fully supported by the BPS Governing Board.

CONCLUSION

The Dibe Yazhi Habitiin Olta, Inc. Governing Board thanks you for your support for Indian Education programs. It is hoped that this testimony will prove useful to your efforts to craft a fair and reasonable budget for BIA education programs. The Board would be pleased to provide you with additional information about our school and our priorities and concerns, and looks forward to working with you over the coming years to assure the every Native American Indian child receives the education they deserve.

PREPARED STATEMENT OF THE CENTER FOR MARINE CONSERVATION

The Center for Marine Conservation (CMC) is pleased to share its views regarding the programs in the Department of the Interior's budget that affect marine resources and requests that this statement be included in the hearing record for the fiscal year 2002 Interior and Related Agencies appropriations bill.

Through science-based advocacy, research, and public education, CMC informs, inspires, and empowers people to protect ocean ecosystems and conserve the global abundance and diversity of marine wildlife. CMC is the largest and oldest nonprofit conservation organization dedicated solely to protecting the marine environment. Headquartered in Washington DC, CMC has regional offices in Alaska, California, Florida, and Maine.

FISH AND WILDLIFE SERVICE

Endangered species listings

CMC supports the Administration's request of $8.476 million for ESA listings, an increase of $2.135 million over fiscal year 2001 and respectfully requests the subcommittee specifically identify funds to list the Northern sea otter under the Endangered Species Act. Over the last eight years, the Northern sea otter has declined seventy percent. As few as 6,000 sea otters remain in the entire Aleutian chain in Alaska, down from 50,000 to 100,000 in the 1980s. Consequently, on November 9, 2000, U.S. Fish and Wildlife Service designated the Northern sea otter as a candidate species for listing under the Endangered Species Act, prompting candidate conservation measures to alleviate threats to this species. Despite the significant population decline, no funding is currently directed to the listing or the recovery of the Northern sea otter.

Endangered species consultation

CMC respectfully requests that the committee reject the Administration's proposed $849,000 cut in Section 7 consultations. Funding for this program, which is already chronically under funded, is vital for the timely completion of these consultations, as required by law. Applicants for federal permits, as well as federal agencies, must have a Section 7 consultation completed before moving forward with projects that may affect listed species. We respectfully request $50 million, at a minimum, in fiscal year 2002 ($7.25 million above the fiscal year 2001) to prevent needless delays in consulation caused by lack of Fish and Wildlife Service funds, which result in higher costs to private citizens, the federal government, and ultimately the taxpayer.

Endangered Species Recovery

CMC is extremely concerned about the nearly 10 percent proposed cut in the ESA recovery line itme by the Administration. Only through recovery can the purpose of the ESA be achieved, resulting in not only in environmental, but also economic, benefits through fewer restrictive regulations. We urge the committee to reject this cut and to restore funding for ESA recovery activities to at least at the fiscal year 2001 level of $59.835 million. In addition, CMC respectfully requests the committee provide adequate resources for the recovery of sea turtles and the southern sea otter.

Sea Turtles

All species of sea turtle species found in U.S. waters, including the Pacific Leatherback, Hawksbill, Kemp's Ridley, and Pacific Green are listed as endangered or threatened under the Endangered Species Act. Adequate funding for their survival is critical. In order to help bring these species back from the brink of extinction, their habitat must be protected, including coral reefs, fragile beaches, and other coastal ecosystems. The U.S. is an international leader in efforts to protect sea turtles which last year took another major step forward with the Senate ratification of the Inter-American Convention for the Protection and Conservation of Sea Turtles.

While we greatly appreciate this committee's support in past years for sea turtle conservation, additional funds are critical in fiscal year 2002, especially for international efforts by Fish and Wildlife Service. We recommend $486,000 in fiscal year 2002 for domestic sea turtle conservation, the same amount appropriated in fiscal year 2001, and respectfully request an additional $486,000 for international sea turtle conservation, up from $275,000 in fiscal year 2001, so that much needed international efforts can, at a minimum, match domestic efforts.

Southern Sea Otters

The southern sea otter was exploited to near extinction and listed as threatened under the Endangered Species Act in 1977. Although the population increased from the mid-1980's to mid-1990's, it has experienced a net decline in recent years. The primary known threats to the southern sea otter include habitat degradation, entanglement in fishing gear, disease, and shooting. Because of its low numbers and limited range, this population is especially vulnerable to oil spills along the central California coast. A single spill could cause catastrophic declines posing the risk of extinction.

To save the southern sea otter, its numbers and range must increase. Funds are needed to continue population surveys and to conduct investigations of food web interactions and effects of possible food limitations. Funds are also needed to assess the health of the population, particularly the causes and effects of disease, as well as to research the sources and levels of contaminants in sea otters and their habitat and how these might be contributing to the decline. Finally, it is important to provide sufficient resources to implement management and contingency/response plans to reduce the risk to these otters from oil spills. CMC respectfully requests that the committee approve $11 million in fiscal year 2002 to finalize and implement the recently-revised southern sea otter recovery plan, including $3 million of dedicated funding for the implementation of the priority activities in the revised recovery plan.

National Wildlife Refuges

While CMC supports the Administration's proposed increase for National Wildlife Refuges in fiscal year 2002, we urge the committee to reject the proposed $2 million cut in Land and Water Conservation Funds for continued acquisition of vital sea turtle nesting habitat in east central Florida for the Archie Carr National Wildlife Refuge.

The Carr Refuge is the most significant nesting area for endangered green turtles in North America and one of the world's most important nesting sites for threatened loggerheads, with 4,000–6,000 turtles nesting in the Refuge each year. Sea turtles face an uphill battle, but the continued survival of these ancient marine animals depends on safe, undisturbed habitat. These lands also provide habitat for other imperiled species and those of special concern, such as the Roseate spoonbill, Florida scrub jay and the butterfly orchid. Finally, acquisition of undeveloped beaches has economic and social values for the public.

During the last decade, local and state governments have contributed over $80 million for land acquisition in the Refuge. In comparison, the total federal contribution has been $13 million. Furthermore, less than half the lands targeted for acquisition have been acquired. If Congress defers acquisition, we are concerned that critical parcels will soon be forever lost due to coastal development. We urge you to con-

tinuing supporting this important initiative by appropriating, at a minimum, $2 million in fiscal year 2002, consistent with fiscal year 2001.

Law Enforcement

CMC also urges the Appropriations Committee to renew funding of $1 million for manatee law enforcement in fiscal year 2002 in the Department of the Interior budget. Heightened law enforcement efforts are necessary to protected the endangered Florida manatees and curtail motor-boat caused mortalities. Watercraft mortalities represent the single largest identifiable cause of death for Florida manatees each year.

The last three years have generated the highest numbers of motorboat-related deaths on record. Early in 2000, manatee deaths were on a pace to surpass the previous year's record. Thanks in part to stepped up enforcement of manatee protection speed zones and law officer presence, manatee boating deaths plateaued and finished 2000 below the 1999 record-setting boat-related mortality.

We greatly appreciate the $1 million provided by this committee in fiscal year 2001 for Manatee Law Enforcement and respectfully request a renewed commitment of $1 million for this activity in fiscal year 2002.

U.S. GEOLOGICAL SERVICE

National Water Quality Assessment Program

Over the past 50 years, nitrogen and phosphorus inputs into U.S. waters from human activities on land have increased up to 20 times their previous levels, and the rate of increase is accelerating. This has had a number of adverse impacts on our coastal water quality. Algae blooms are depleting oxygen levels, killing fish and other aquatic organisms. Dead zones are increasing in size and quantity. The overgrowth of algae from excess nutrients is also killing coral reefs and seagrass beds, and is leading to increased outbreaks of red tides and *Pfiesteria piscicida.* These harmful blooms produce powerful neurotoxins that cause severe health effects on humans, kill marine wildlife, and have a wide range of damaging economic effects on the fishing and tourist industries, increase health care costs, and lower property values.

At the present time we cannot effectively assess the extent of our water quality problems or the effectiveness of our programs to address these problems because only 32 percent of our estuaries and 5 percent of our ocean waters are monitored. We need more, not less, water quality monitoring and assessment, such as the watershed approach adopted in the USGS National Water Quality Assessment Program (NWQAP). The NWQAP assesses conditions, determines trends, and investigates human and natural influences on water quality and watersheds in more than 50 major river, stream and ground-water systems. It provides an integrated system for assessing watersheds by focusing on chemical concentrations of pollutants, the physical conditions of water bodies, and the biological status of aquatic ecosystems. Data from the NWQAP is absolutely essential if we are to make progress in reducing the impacts of excess nutrients in the marine environment. We urge the committee to reject this crippling 31 percent cut proposed by the Administration and at least fund the program at current levels ($94.8 million) in fiscal year 2002.

Coral Reefs

Coral reefs are rightly known as "the rainforests of the sea," and are among the most complex and diverse ecosystems on earth. Coral reefs provide habitat to almost one third of marine fish species, serve as barriers to protect coastal areas, and are important to the tourist industries of many States and territories. Coral reefs are also extremely fragile and are facing serious threats from overutilizaiton and pollution around the world, making the work of the Coral Reef Task Force and the Department of the Interior extremely important and worthy of the Administration's funding requests.

We respectfully request the Committee to provide the Department of the Interior with $10 million for its coral reef activities. Specifically we support: the $2.7 million requested for the Fish and Wildlife Service to increase protection, monitoring and site acquisitions; the $3.6 million requested for the National Park Service (same as fiscal year 2001 levels) to improve management of special reef areas; the $3.2 million requested by the U.S. Geological Survey for research and mapping of coral reefs; and the $500,000 requested by the Office of Insular Affairs (same as fiscal year 2001 levels) to support territory coral reef initiatives.

In addition, we respectfully request adequate resources for the National Park Service and the U.S. Fish and Wildlife Service to implement their additional respon-

sibilities in the new coral reef monuments in the U.S. Virgin Islands, and refuges in the Pacific, including the Palmayra and Kingman National Wildlife Refuges.

Everglades Restoration

With the passage of the Water Resources Development Act of 2000, Congress authorized the implementation of the Comprehensive Everglades Restoration Plan (CERP). In addition to authorizing specific restoration projects, WRDA 2000 approved the CERP as the overall blueprint for the 30-year restoration process. It is essential that annual appropriations be sufficient to ensure that the restoration process moves forward on a schedule that is consistent with the timeframes set forth in the CERP. In addition, it is critical that previously authorized restoration efforts that are important to the success of CERP be adequately funded, and that the Department of Interior have the resources to participate appropriately in all restoration efforts. Upon review of the proposed CERP budget for the Department of Interior, and after comparing the proposed budget to the original CERP implementation schedule and schedules set out for other restoration efforts, we respecfully request that the subcommittee consider the following:

—CERP land acquisition funding should be increased by approximately $57 million.

—The budget must continue adequate funding for previously authorized programs whose performance assumptions have been included in the CERP.

—It is crucial to the successful and timely implementation of CERP that all components of the Modified Water Deliveries project be adequately funded and completed on schedule in 2003.

—It is essential that the preferred alternative, as indicated in the Record of Decision for the 8.5 Square Mile Area, 6D, be implemented expeditiously.

—The President's proposed budget would cut the overall Park Service Everglades science budget by more than a third (from $6,194,000 in fiscal year 2001 to $4,000,000 in fiscal year 2002). In order for the Park Service is to contribute appropriately to the critical scientific and research aspects of Everglades restoration, CMC recommends that the science budget be funded at the fiscal year 2001 level.

Thank you for considering the funding needs of these programs. They are of the utmost importance to the stewardship of the nation's living marine resources. We greatly appreciate your support for these programs in the past and look forward to continued, responsible funding for these programs in fiscal year 2002.

PREPARED STATEMENT OF THE ALASKA INTER-TRIBAL COUNCIL

On behalf of the Alaska Inter-Tribal Council (AITC), I am pleased to submit this written testimony on the fiscal year 2002 Appropriations for Interior Department funding of the Indian Tribal Justice Act (Public Law 103–176) and Tribal Courts (under the Tribal Priority Allocations).

The AITC is a statewide organization comprised of 176 federally recognized member Tribes dedicated to promoting, supporting and advocating for the powers and rights of Alaska Tribal governments including the development and perpetuation of tribal justice systems, the exercise of judicial authority and the administration of justice.

INTERIOR DEPARTMENT FUNDING

Indian Tribal Justice Act and Tribal Court Funding

(1) *+$58.4 million. Full Funding for Indian Tribal Justice Act*.—AITC strongly supports full funding ($58.4 million) for the Indian Tribal Justice Act (Public Law 103–176). On December 21, 2000, the 106th Congress re-affirmed the Congressional commitment to provide this increased funding for tribal justice systems when it reauthorized the Indian Tribal Justice Act for seven more years of funding at a level of $58.4 million per year (see Public Law 106–559, section 202). AITC strongly supports FULL FUNDING of the Indian Tribal Justice Act as promised in 1993. AITC supports funding at a much higher rate since the number of tribal courts and their needs have substantially increased since the Act was made law in 1993—more than eight years ago.

(2) *Tribal Courts—at least $15 million (under the Tribal Priority Allocations Account)*.—AITC strongly supports increased funding for Tribal Courts to a level of at least $15 million under the Tribal Priority Allocations (TPA). This minimal increase represents only a minimal first step towards meeting the vital needs of tribal justice systems. It is important to note that funding has steadily decreased since the passage of the Indian Tribal Justice Act. Moreover, Alaska Native Tribes have histori-

cally never accessed BIA funds for tribal courts or law enforcement. The needs (as recognized by Congress in the enactment of Public Law 103–176 and re-affirmed with the enactment of Public Law 106–559), however, have only been compounded with the passage of time, the increase in tribal courts, the increase of caseloads, population growth, and the rise in rates of domestic and criminal disputes in Alaska Native and Native American communities.

Alaska Native and Native American tribal courts must deal with a wide range of difficult criminal and civil justice problems on a daily basis, including the following:

—While the crime rate, especially the violent crime rate, has been declining nationally, it has increased substantially in tribal communities nationwide. Tribal court systems are grossly under-funded to deal with these criminal justice problems.

—Number/complexity of tribal civil caseloads have also been rapidly expanding.

—Congress recognized this need when it enacted the Indian Tribal Justice Act—specifically finding that "tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments" and "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation."

—While the Indian Tribal Justice Act promised $58.4 million per year in additional funding for tribal court systems starting in fiscal year 1994, tribal courts have yet to see ANY funding under this Act.

—Since Congress enacted the Indian Tribal Justice Act, the needs of tribal court systems have continued to increase, but there has been no corresponding increase in funding for tribal court systems. In fact, the Bureau of Indian Affairs funding for tribal courts has actually decreased substantially since the Indian Tribal Justice Act was enacted in 1993. Moreover, Alaska Native Tribes have historically never had access to BIA funds for tribal courts or law enforcement.

—The 106th Congress re-affirmed the Congressional commitment to provide this increased funding for tribal justice systems when it re-authorized the Indian Tribal Justice Act in December 2000 for seven more years of funding at a level of $58.4 million per year (see Public Law 106–559, section 202).

As Attorney General Janet Reno stated in testimony before the Senate Indian Affairs Committee on, it is vital to "better enable Indian tribal courts, historically under-funded and under-staffed, to meet the demands of burgeoning case loads." The Attorney General indicated that the "lack of a system of graduated sanctions through tribal court, that stems from severely inadequate tribal justice support, directly contributes to the escalation of adult and juvenile criminal activity."

Since time immemorial Alaska Native Tribes have maintained peace, law and order in their communities through the exercise of indigenous juridical, social and political authority. Today, Alaska Natives continue to administer justice through their modern day Tribal governments, councils and courts. Over 100 of the 229 federally recognized Tribes located in Alaska are actively establishing or operating single tribal courts systems, inter-tribal/regional and/or appellate courts. This constitutes a significant amount of tribal court activity nationwide since almost half (229) of the Tribes in the U.S. are located in Alaska. The vast majority of the approximately 100 tribal court systems in Alaska function in isolated rural communities. Moreover, most Alaska Tribal courts are intervening in domestic relations and civil/family law matters involving child protection, adoptions, child custody and juvenile delinquency.

These tribal justice systems face many of the same difficulties faced by other tribes in the lower 48 states and other isolated rural communities. These problems are greatly magnified by the many other complex problems that are unique to Tribes. For instance, tribal justice systems are faced with complex jurisdictional relationships with federal and state criminal justice systems, inadequate law enforcement, great distance from the few existing resources, lack of detention staff and facilities, lack of sentencing or disposition alternatives, lack of access to advanced technology, lack of substance abuse testing and treatment options, etc. It should also be noted that in most tribal justice systems, 80–90 percent of the cases are criminal cases and 90 percent of these cases involve the difficult problems of alcohol and/or substance abuse.

IMPORTANCE OF TRIBAL COURTS

"Tribal courts constitute the frontline tribal institutions that most often confront issues of self-determination and sovereignty, while at the same time they are charged with providing reliable and equitable adjudication in the many and increas-

ingly diverse matters that come before them. In addition, they constitute a key tribal entity for advancing and protecting the rights of self-government. . . . Tribal courts are of growing significance in Indian Country." (Frank Pommersheim, Braid of Feathers: American Indian Law and Contemporary Tribal Law 57 (1995). Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. Attorney General Reno acknowledged that, "With adequate resources and training, they are most capable of crime prevention and peacekeeping" (A Federal Commitment to Tribal Justice Systems, 79 Judicature No. 7, November/December 1995, p. 114). These courts, however, while striving to address these complex issues with far fewer financial resources than their federal and state counterparts must also "strive to respond competently and creatively to federal and state pressures coming from the outside, and to cultural values and imperatives from within." (Pommersheim, "Tribal Courts: Providers of Justice and Protectors of Sovereignty," 79 Judicature No. 7, November/December 1995, p. 111).

INADEQUATE FUNDING OF TRIBAL JUSTICE SYSTEMS

There is no question that tribal justice systems are, and historically have been, underfunded. The 1991 United States Civil Rights Commission found that "the failure of the United States Government to provide proper funding for the operation of tribal judicial systems . . . has continued for more than 20 years." The Indian Civil Rights Act: A Report of the United States Civil Rights Commission, June 1991, p. 71. The Commission also noted that "[f]unding for tribal judicial systems may be further hampered in some instances by the pressures of competing priorities within a tribe." Moreover, they opined that "If the United States Government is to live up to its trust obligations, it must assist tribal governments in their development . . ." Almost ten years ago, the Commission "strongly support[ed] the pending and proposed congressional initiatives to authorize funding of tribal courts in an amount equal to that of an equivalent State court" and was "hopeful that this increased funding [would] allow for much needed increases in salaries for judges, the retention of law clerks for tribal judges, the funding of public defenders/defense counsel, and increased access to legal authorities."

As indicated by the Civil Rights Commission, the critical financial need of tribal courts has been well documented and ultimately led to the passage of the Indian Tribal Justice Act, 25 U.S.C. § 3601 et seq. (the "Act"). Congress found that "[T]ribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health, safety and the political integrity of tribal governments." 25 U.S.C. § 3601(5). Affirming the findings of the Civil Rights Commission, Congress further found that "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation." 25 U.S.C. § 3601(8). In order to remedy this lack of funding, the Act authorized appropriation base funding support for tribal justice systems in the amount of $50,000,000 for each of the fiscal years 1994 through 2000. 25 U.S.C. § 3621(b). An additional $500,000 for each of the same fiscal years was authorized to be appropriated for the administration of Tribal Judicial Conferences for the "development, enhancement and continuing operation of tribal justice systems . . ." 25 U.S.C. § 3614.

Eight years after the Act was enacted, how much funding has been appropriated? None. Not a single dollar was even requested under the Act for fiscal years 1994, 1995, 1997, 1998 or 1999. Only minimal funds were requested for fiscal year 1996 and 2000. Yet, even these minimal funds were deleted. Even more appalling than the lack of appropriations under the Act is the fact that BIA funding for tribal courts has actually substantially decreased following the enactment of the Indian Tribal Justice Act in 1993. In December 2000, Congress re-affirmed its commitment to funding of the Indian Tribal Justice Act by re-authorizing the Act for seven more years of funding (see Public Law 106–559, section 202). Now is the time to follow through on this long promised funding and provide actual funding under the Indian Tribal Justice Act!

CONCLUSION

Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. They are the keystone to tribal economic development and self-sufficiency. Any serious attempt to fulfill the federal government's trust responsibility to Indian Nations must include increased funding and enhancement of tribal justice systems.

We welcome the opportunity to comment on the Interior Department's Budget Request for the Indian Tribal Justice Act and Tribal Courts (under the Tribal Priority Allocations). Thank you very much.

PREPARED STATEMENT OF THE AMERICAN HIKING SOCIETY

Mr. Chairman and members of the subcommittee, I represent American Hiking Society's more than 10,000 members and the 500,000 members of our 150 affiliated organizations. American Hiking Society is a non-profit recreation-based conservation organization dedicated to establishing, protecting, and maintaining footpaths in America. We urge you to support funding increases that will protect trails and recreation resources for the benefit of the nation.

Our testimony focuses on two points. First, federal land managers are struggling to keep up with the dramatic increase in trail use in America. The solution is not to merely appropriate more money to the National Park Service (NPS), Bureau of Land Management (BLM) and USDA Forest Service, but to couple targeted increased funding with increased on-the-ground trails coordinators and volunteer coordinators.

Second, American Hiking urges you not to permanently authorize the Recreational Fee Demonstration Program (Fee Demo). Last year, AHS' Board of Directors unanimously approved a policy supporting the fee demonstration program in concept but vigorously opposed making Fee Demo permanent unless and until the agencies redress the problems our members raise with the program. Our concerns with Fee Demo include inconsistent implementation, agency accountability, and equity issues. Moreover, the heavy reliance and dependence the agencies place on Fee Demo indicate that fee program revenues are starting to supplant, not supplement, appropriations. This counters the original intent of the program.

TRAILS AND RECREATION FUNDING

According to the 2000 National Survey on Recreation and the Environment, hiking and backpacking are among the nation's fastest growing forms of recreation. In 2000, 73 million Americans hiked (196 percent growth since 1982) and 23 million backpacked. Human powered recreation represents an important and increasing use of our public lands, yet federal funding for recreation has not kept pace with demand and continues to fall far short of needs.

For the second year in a row, American Hiking Society is an active participant in a consortium of non-motorized recreation organizations working to increase appropriations for recreation and trails programs in the land management agencies. We make the following recreation and conservation funding recommendations for fiscal year 2002:

USDA Forest Service

Recreation Management, Heritage and Wilderness—$330 million
Recreation Management—$265 million
Wilderness Management—$50 million
Capital Improvement and Maintenance—Trails—$100 million

National Park Service

Rivers, Trails and Conservation Assistance program—$12 million
National Trails System—$8.25 million
Geographic Information System Network for National Trails—$2 million
Challenge Cost Share Program—One-third of total to National Trails System

Bureau of Land Management

Recreation Management—$59 million increase
National Monument and National Conservation Areas—$27 million increase

Land and Water Conservation Fund—$900 million

Florida National Scenic Trail, USDA Forest Service—$4 million
Ice Age National Scenic Trail, National Park Service—$3 million
Pacific Crest National Scenic Trail, Bureau of Land Management—$1 million
Pacific Crest National Scenic Trail, USDA Forest Service—$5 million

The 16 national scenic and historic trails administered by the National Park Service require a minimum of $8.25 million for natural and cultural resource management and protection, improving visitor services, and strengthening volunteer partnerships. For most of the national scenic and historic trails, barely one-half of their congressionally authorized length and resources are protected and available for public use. Most trail offices are understaffed, hindering the agencies' ability to properly administer and manage these trails and work effectively with volunteer-based organizations. In 2000, national trail volunteer organizations contributed $6.6 million in financial resources and over 593,000 volunteer hours with an estimated labor value of $8.8 million. American Hiking thanks the subcommittee for its support of the National Trails System and urges you to increase funding to help complete and protect

these national treasures. American Hiking Society endorses the specific figures submitted by the Partnership for the National Trails System.

In addition, NPS requires $2 million to continue work on a Geographic Information System network for the national scenic and historic trails. This program, costing approximately $8.4 million over five years, will provide accurate information to assist the public, trail managers, maintainers, and other stakeholders in trail protection, development, maintenance, interpretation, and resource management. The project marks a significant step in the evolution of these trails and applies state-of-the-art technology and techniques to better administer, manage, and protect trail resources and landscapes.

The National Park Service's Rivers, Trails and Conservation Assistance program requires $12 million to help communities manage and protect their recreational and natural resources. This excellent federal technical assistance program has experienced a dramatic increase in requests for assistance, but due to limited resources, it is only able to assist half of all applicants. With a budget of less than one-half of one percent of NPS total funding, RTCA is exceptionally cost effective and gets results. In fiscal year 2000 alone, RTCA helped develop 2,200 trail miles, protected 1000 river miles, and secured 270,000 acres of open space. Assistance from RTCA professionals is only given at the expressed request of a local community. As the Federal government seeks to enable communities to take their future into their own hands, it must enlarge those Federal programs that build capacity in much needed technical and institutional skills.

We strongly support an increased level of funding for two primary Forest Service programs—Recreation Management and Capital Improvement and Maintenance for trails. The agency is the largest recreation provider in the United States, managing 133,000 miles of trails. The current investment in Forest Service lands does not match the role recreation plays in the agency. Many facilities are poorly maintained and deteriorating and recreation staff shortages are severe.

Last year, the Forest Service released its Recreation Agenda, setting much-needed new goals and benchmarks for recreation in the agency. The Forest Service requires increased funding to carry out the measures outlined in the Recreation Agenda, including resource protection, reducing the maintenance backlog, and augmenting recreation staff, particularly on the ground.

Despite the increased emphasis the agency is placing on recreation through the Natural Resource Agenda, we are concerned that this conversation at the top is not translating to the ground. Very few national forests have even one full-time trails coordinator. And despite the number of hiking and other recreation organizations that wish to volunteer to build and maintain trails in national forests, very few forests have a volunteer coordinator. American Hiking Society and some of our member clubs, such as the Continental Divide Trail Alliance, have had volunteer trail crews turned away because of the agency's inability to provide even minimal supervision or support. In the Recreation Agenda, the Forest Service highlights staffing and acknowledges the need to place trail coordinators, volunteer coordinators and/or recreation planners at each national forest and for each nationally designated area or trail. The agency must follow-through with this commitment by increasing funding for recreation staff on the ground.

Trail maintenance is a basic component of a safe, quality recreation experience. As of fiscal year 1999, the Forest Service trail maintenance backlog totaled over $148 million. Increasing the trails budget is crucial to enable the agency to begin to address this tremendous recreational infrastructure need.

We support funding increases for the Bureau of Land Management. Last year, BLM implemented the National Landscape Conservation System (NLCS), a new program to focus management, attention, and resources on National Monuments, Wilderness, Wild & Scenic Rivers, and National Historic and Scenic Trails—all important for human-powered recreation pursuits. The agency requires increased funding to manage the rapidly expanding recreational use of BLM lands and protect the wealth of natural and cultural resources under its jurisdiction, including the special areas now managed under the NLCS. Outdoor recreation is an important public use of these lands and management of outdoor recreation resources, facilities, and visitor use are significant components of the BLM's multiple use mission, yet the agency remains severely underfunded and understaffed.

American Hiking Society strongly supports Land and Water Conservation Fund (LWCF) appropriations for the Florida, Ice Age, and Pacific Crest National Scenic Trails. Now that the acquisition program for the Appalachian Trail is complete, we urge you to turn your support toward the remaining national scenic and historic trails and label them as high priority projects under the LWCF. LWCF monies for land purchases must also be accompanied by adequate funding for the agencies to effectively manage the acquisitions process and disburse the appropriations.

RECREATION FEE DEMONSTRATION PROGRAM

American Hiking Society supports the concept of the Recreational Fee Demonstration Program as it allows the agencies to fully evaluate the benefits and pitfalls of recreation fees on federal lands. Because the agencies have not completed that evaluation and because of uncertainties and concerns regarding implementation, accountability, and equity issues, American Hiking Society opposes the establishment of a permanent recreation fee program on federal lands at this time. Although entrance and user fees provide much needed revenue to agencies with severe budget shortages, numerous unanswered questions and concerns remain that must be addressed before Fee Demo receives permanent authorization.

The agencies manage and implement Fee Demo inconsistently, resulting in limited interagency coordination, confusing fee policies and multiple fees, and minimal innovation by the National Park Service. Equity concerns persist, as the federal agencies often fail to correlate fees to the cost or level of service provided or type of recreation. The agencies also fail to adequately address the effects of fees on low-income populations and non-commercial/non-consumptive users versus commercial users of public lands.

Despite the requirement that fee revenues supplement, not supplant, appropriations there is little to stop revenue considerations from becoming a driving force in management decisions. The agencies admit to reliance on the program for an increasingly significant portion of recreation funding. The Administration's intent to eliminate the National Park Service's nearly $5 billion deferred maintenance backlog within five years, in part by directing a greater percentage of existing user fees to address the backlog, is troubling as it distorts the intent of the program. Fee Demo revenue expenditures to date unduly emphasize program administration and infrastructure maintenance over resource management needs, indicating a trend toward attracting visitors rather than protecting resources and preserving the natural elements of the recreation experience.

We urge the Interior Appropriations Subcommittee to oppose any appropriations offsets with fee revenues and continue your vigilance both within your own ranks and within the federal agencies. However, until the program runs its course through the current end date of fiscal year 2002, Congress should not hastily authorize permanent Fee Demo status.

CONCLUSION

On June 2, 2001, American Hiking Society will coordinate its ninth "National Trails Day," to raise public awareness and appreciation for trails. Participants gather at more than 2,000 National Trails Day events nationwide. By increasing the focus and funding of the recreational programs outlined in this testimony, Congress will help ensure the viability of America's unique natural heritage and protect the outstanding recreation opportunities on our public lands.

Thank you for considering our request. American Hiking Society's members and outdoorspeople nationwide appreciate the subcommittee's support in the past and look forward to continued strong support.

PREPARED STATEMENT OF THE COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION

Mr. Chairman, on behalf of the Columbia River Inter-Tribal Fish Commission (CRITFC), thank you for the opportunity to present the CRITFC's views on the Interior Department budget. First, in order to ensure the implementation of a comprehensive and integrated approach for natural resources management, the CRITFC endorses the four tribes' programs and testimony. Specifically, $400,000 should be provided to the Nez Perce Tribe to support their fisheries conservation and restoration efforts in response to the Biological Opinion issued for the Federal Columbia River Power System. For fiscal year 2002, the CRITFC has identified funding needs totaling of $4,360,000 for Columbia River fisheries management programs, an increase of $1,634,000 over the fiscal year 2001 appropriated level of $2,726,000. We would note that the President's budget includes an increase of $400,000 for Columbia River Fisheries Management to address implementation and coordination under the Biological Opinion issued for the Federal Columbia River Power System. Of the proposed increase, $900,000 is required for base programs dealing with salmon listings under the Endangered Species Act. The tribes are also requesting that a one-time cost reimbursement of $734,000 be added to Columbia River fisheries management for past indirect contract support cost shortfalls and past pay-cost adjustment shortfalls. New base funding of $1,822,500 is required for Conservation Officers, either as a new program category to be included under Wildlife and Parks or as a

base increase to the Columbia River fisheries management line item. Finally, the tribes endorse the recommendations the U.S. Section of the Pacific Salmon Commission to provide the 25 Pacific Coastal tribes (Western Washington and Columbia River treaty tribes, as well as the Metlakatla Indian Community) with $4,191,000, plus pay cost adjustments, for fiscal year 2002 for the U.S./Canada Salmon Treaty program.

MISSION STATEMENT

Formed by resolution of the Nez Perce, Umatilla, Warm Springs and Yakama Tribes, the CRITFC provides coordination and technical assistance to ensure that the resolution of outstanding treaty fishing rights issues guarantees the continuation and restoration of our tribal fisheries into perpetuity. Since 1979, CRITFC has contracted with the BIA under the Indian Self-Determination Act (Public Law 93–638) to provide this technical support. The tribes' technical experts have identified where federal and state resource managers have fallen short in protecting and restoring the habitat and production of all salmon stocks. Wy-Kan-Ush-Mi Wa-Kish-Wit, the tribes' restoration plan, acknowledged by Will Stelle, the National Marine Fisheries Service's Regional Director, as the only salmon restoration plan in the region, identifies threats to salmon, proposes hypotheses based upon adaptive management principles to address those threats, and provides specific recommendations and practices that must be adopted by natural resource managers to meet treaty obligations. Wy-Kan-Ush-Mi Wa-Kish-Wit can be viewed at

In 1855, the United States entered into treaties with the four tribes [1] to ensure the mutual peace and security of our peoples. For the four tribes' cession of millions of acres, the United States promised to protect and honor the rights and resources the tribes reserved to themselves under those treaties. Those resources, among them our most treasured resource, the salmon, are being destroyed by process and delay under the Endangered Species Act. Our rights and our religious beliefs that are tied to the salmon are being trampled upon by more process and delay. We have a plan designed to restore salmon to healthy sustainable levels. On behalf of the salmon and the future generations of our peoples, please help us to implement that plan.

DIRECTION TO THE BONNEVILLE POWER ADMINISTRATION

Most of the program needs identified in this testimony could and should be funded by the Bonneville Power Administration (BPA), utilizing unexpended funds committed to salmon restoration under the Memorandum of Agreement (MOA) signed in 1996. Under that MOA, BPA was granted a cap of $435 million per year, a combination of both real expenditures and estimates of lost power generation revenues, on salmon restoration costs through 2001. Of this commitment, we estimate that a cumulative total of over $200 million will remain unexpended by BPA at the end of the MOA period. The Congress should direct the BPA to place a substantial portion of this money in a trust fund to be used by the tribes to fund the Watershed Restoration Program.

WY-KAN-USH-MI WA-KISH-WIT

Funding is needed to implement the tribes' watershed-based restoration plan over the next five years. Under Wy-Kan-Ush-Mi Wa-Kish-Wit, the tribes are implementing watershed restoration and protection projects and programs throughout the Columbia Basin. The tribes can point to several successes in watershed-based restoration of salmon. Notably, the tribes have restored coho, spring and fall chinook, and steelhead to the Umatilla River after an absence of 70 years. They have reintroduced coho into the Clearwater River in Idaho, have taken the lead in restoring fall chinook and spring chinook to the Yakama River and fall chinook to the Snake River. The tribes seek to duplicate this success in other watersheds, measure and document the effectiveness of their programs and methods, and publicize the success of their watershed approach through public outreach, education and technology transfer.

Watershed assessments

Watershed assessments will identify factors limiting the production and productivity of salmon stocks within each basin. These comprehensive and multi-disciplinary reviews are integral to the effective and efficient implementation of any res-

[1] Treaty with the Yakama Tribe, June 9, 1855, 12 Stat. 951; Treaty with the Tribes of Middle Oregon, June 25, 1855, 12 Stat. 963; Treaty with the Umatilla Tribe, June 9, 1855, 12 Stat. 945; Treaty with the Nez Perce Tribe, June 11, 1855, 12 Stat. 957.

toration plan and provide the baseline for monitoring and evaluation of project activities.

Water quality

Clean water is essential to the successful implementation any restoration plan; many subbasins, as well as segments of the mainstem Columbia River, do not currently meet water quality standards and criteria as required under the Clean Water Act. This part of the tribes' efforts is geared to the development of tribal water quality standards, coordination with regional programs, and monitoring and evaluation of management activities designed to bring subbasins into compliance with the Clean Water Act.

Habitat projects

The tribes have identified a list of habitat projects that can be implemented immediately so as to improve salmon production and productivity. These projects address specific habitat improvements that will improve salmon spawning and rearing conditions for salmon. These projects represent the core of our proposal and will provide tangible benefits for the Pacific Northwest and Alaska.

COLUMBIA RIVER ENDANGERED SPECIES PROGRAM NEEDS

A total of at least $1,200,000 is required by the tribes to deal with salmon listings under the Endangered Species Act. In 1991, at the BIA's request, we submitted an assessment of our needs regarding outstanding hunting and fishing rights. At that time, we requested $1,000,000 for determining the allocation of the conservation burden among all sources of salmon mortality and for implementing hatchery production reform. Since then, with the additional listing of many more salmon populations, the reform of hatchery production programs has been recognized as an integral part of salmon restoration and the tribes are the principal lead in restoration efforts that utilize tools such as supplementation. This mandate carries responsibilities to monitor and evaluate the results of management actions taken to reform production. To meet regional obligations and high standards, the tribes must develop the capacity to analyze a broad base of genetic data essential for conservation and restoration of salmon populations, without impacting remaining wild stocks, at a base funding cost of $200,000. Only $300,000 has been provided for these ongoing needs, leaving an unmet need of $900,000.

CONSERVATION OFFICERS

We request new base funding of $1,822,500 for fiscal year 2002 for a new program category under Wildlife and Parks for Conservation Officers, or as a base funding increase to the Columbia River fisheries management line item, to fund increased fisheries enforcement, for patrols at "in-lieu" and fishing access sites, and for cultural resource protection. Existing fish, wildlife, and habitat regulations must be enforced to ensure compliance and to protect fish stocks, wildlife, and their critical habitats. The Northwest Power Planning Council acknowledged this need in its 1994 "Strategy for Salmon," calling for "an expanded enforcement program to provide additional protection to Columbia River salmon and steelhead." The program has been successful in both reducing violations and educating tribal and non-tribal fishers. The NPPC has eliminated regional funding for this program, recommending that Congress fund this program.

SHORTFALL IN PAY COST ADJUSTMENTS AND CONTRACT SUPPORT COSTS

We request a one time base budget adjustment of an additional $104,000 be added in fiscal year 2002 to the Columbia River fisheries management line item to cover past shortfalls in legally mandated pay cost adjustments. While the BIA provided pay cost adjustments for fiscal year 1997 through fiscal year 2000, it only provided a partial adjustment for fiscal years 1992, 1993, 1994, 1995, and 1996 in the fiscal year 2000 budget. BIA had previously calculated the full amount to cover past shortfalls to be about $103,903.

BIA's inability to fully fund contract support is undermining our programs. For the last several years, indirect cost reimbursement to CRITFC has been below legislated levels. Support services funded by indirect funds must be minimized or cut, due to the effects of the indirect shortfall. This means that fewer staff and less supplies are available. To make matters worse, any indirect cost funding shortfall must be recovered from the direct program. From 1994 through 1999, CRITFC did not receive $630,500 of legally mandated contract support funds. This reduced direct program funds by a like amount for salaries and operating expenses, undermining

CRITFC's efforts to fulfill its mission. We request a one-time payment of $630,500 to cover these past shortfalls.

IN SUMMARY

Through a governing body of leaders from four tribes working together to protect their treaty fishing rights, with a staff of biologists, hydrologists, law enforcement personnel, and other experts advising tribal policy-makers, the tribes have demonstrated they can take the lead on natural resource issues, provided that adequate resources are available. We ask for your continued support of our efforts and we are prepared to provide any additional information you may require on the Department of the Interior budget.

PREPARED STATEMENT OF THE NORTHWEST TRIBAL COURT JUDGES ASSOCIATION

On behalf of the Northwest Tribal Court Judges Association (NWTCJA), I am pleased to submit this written testimony on the fiscal year 2002 Appropriations for Justice Department funding of the Indian Country Law Enforcement Initiative and the Indian Tribal Justice Technical and Legal Assistance Act of 2000 (Public Law 106–559).

The NWTCJA is a voluntary regional representative membership association (non-profit association organized in 1981), whose active members include any duly appointed or elected judge for any Indian tribe located in the states of Washington, Oregon, Idaho, and Alaska. NWTCJA represents more than 37 tribal justice systems in the Northwest, has a twenty-year track record of providing quality training and technical assistance services to tribal justice systems. The mission of the NWTCJA is "to provide a forum for communication and cooperation among and between tribal court judges and other entities to enhance the training and skills of court personnel and to secure resources to accomplish these ends in the interest of better serving tribal people, communities, and our sovereign nations." We provide training for court personnel and need money to accomplish these purposes.

JUSTICE DEPARTMENT FUNDING

Indian Country Law Enforcement Initiative and Indian Tribal Justice Technical and Legal Assistance Act of 2000 (Public Law 106–559)

Full Funding for Indian Country Law Enforcement Initiative.—NWTCJA strongly supports full funding for the Indian Country Law Enforcement Initiative ($173,300,000 in Justice Department funding as requested in the Justice Department's fiscal year 2001 budget). NWTCJA would like to specifically emphasize our support for the funding of the Indian Tribal Court Fund at a level of at least $15,000,000 (Please note that this fund was formally authorized by the 106th Congress—see Public Law 106–559, Section 201). Through the increased funding for law enforcement under the Indian Country Law Enforcement Initiative, more police officers have been added throughout Indian Country without the accompanying funds to support tribal courts that will be impacted by the increased caseloads generated by this increased law enforcement.

At least $15,000,000 in funding for the Indian Tribal Justice Technical and Legal Assistance Act of 2000 (Public Law 106–559).—When the 106th Congress enacted Public Law 106–559 in December 2000, it recognized the vital legal and technical assistance needs of tribal justice systems—finding in part that "there are both inadequate funding and inadequate coordinating mechanisms to meet the technical and legal assistance needs of tribal justice systems and this lack of adequate technical and legal assistance funding impairs their operation" and promised three grant programs to address these Congressional recognized needs. It is vital that Congress provide adequate funding for Public Law 106–559 (see the Act itself for more specific information). NWTCJA strongly supports funding of Public Law 106–559 at the level of at least $15,000,000. Failure to provide this funding level will make the Indian Tribal Justice Technical and Legal Assistance Act of 2000 (Public Law 106–559) a hollow recognition of tribal justice systems needs without providing needed resources. Native American tribal courts must deal with a wide range of difficult criminal and civil justice problems on a daily basis, including the following:

—The violent crime rate has been declining nationally but increasing substantially in Indian Country. Tribal court systems are grossly under-funded to deal with these criminal justice problems.

—The case number and complexity of tribal civil caseloads have also been rapidly expanding.

—Congress recognized this need when it enacted the Indian Tribal Justice Act -specifically finding that "tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments" and "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation."

—While the Indian Tribal Justice Act promised $58,400,000 per year in additional funding for tribal court systems starting in fiscal year1994, THERE HAS BEEN NO FUNDING provided tribal courts under this Act.

—Since enactment of the Indian Tribal Justice Act, the needs of tribal court systems have continued to increase, with no corresponding increase in funding. In fact, the Bureau of Indian Affairs' funding for tribal courts has actually decreased substantially since the Indian Tribal Justice Act was enacted in 1993.

—The 106th Congress re-affirmed the Congressional commitment to provide this increased funding for tribal justice systems when it re-authorized the Indian Tribal Justice Act in December 2000 for seven more years of funding at a level of $58,400,000 per year (see Public Law 106–559, section 202).

As the former Attorney General, Janet Reno, stated in testimony before the Senate Indian Affairs Committee, it is vital to "better enable Indian tribal courts, historically under-funded and under-staffed, to meet the demands of burgeoning caseloads." The Attorney General indicated that the "lack of a system of graduated sanctions through tribal court, that stems from severely inadequate tribal justice support, directly contributes to the escalation of adult and juvenile criminal activity."

The majority of the existing tribal justice systems in the Northwest and the more than 100 developing tribal court systems in Alaska, function in isolated rural communities. These tribal justice systems face many of the same difficulties faced by other isolated rural communities, but these problems are greatly magnified by the many other complex problems that are unique to Indian country. In addition to the previously-mentioned problems, tribal justice systems are faced with a lack of jurisdiction over non-Indians, complex jurisdictional relationships with federal and state criminal justice systems, inadequate law enforcement, great distance from the few existing resources, lack of detention staff and facilities, lack of sentencing or disposition alternatives, lack of access to advanced technology, lack of substance abuse testing and treatment options, and lack of resources to hold people accountable, i.e. no monies for probation. It should also be noted that in most tribal justice systems, 80–90 percent of the cases filed are criminal cases, and 90 percent of these cases involve the difficult problems of alcohol and/or substance abuse. While a few tribal courts are just beginning the planning and implementation of Drug Courts with monies from the DCPO, these monies are provided for only a few years, are limited in amounts, and provide a temporary panacea to the ever increasing problem of drug addiction in our young people.

IMPORTANCE OF TRIBAL COURTS

"Tribal courts constitute the frontline tribal institutions that most often confront issues of self-determination and sovereignty, while at the same time they are charged with providing reliable and equitable adjudication in the many and increasingly diverse matters that come before them. In addition, they constitute a key tribal entity for advancing and protecting the rights of self-government. . . . Tribal courts are of growing significance in Indian Country." (Frank Pommersheim, Braid of Feathers: American Indian Law and Contemporary Tribal Law 57 (1995)). Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. Former Attorney General Reno acknowledged that, "With adequate resources and training, they are most capable of crime prevention and peacekeeping" (A Federal Commitment to Tribal Justice Systems, 79 Judicature No. 7, November/December 1995, p. 114). It is her view that "fulfilling the federal government's trust responsibility to Indian nations means not only adequate federal law enforcement in Indian Country, but enhancement of tribal justice systems as well." *Id.*

Tribal courts agonize over the very same issues state and federal courts confront in the criminal context, such as child sexual abuse, alcohol and substance abuse, gang violence and violence against women. These courts, however, while striving to address these complex issues with far fewer financial resources than their federal and state counterparts must also "strive to respond competently and creatively to federal and state pressures coming from the outside, and to cultural values and imperatives from within." (Pommersheim, "Tribal Courts: Providers of Justice and Protectors of Sovereignty," 79 Judicature No. 7, November/December 1995, p. 111). Judicial training that addresses the present imperatives posed by the public safety cri-

sis in Indian Country, while also being culturally sensitive, is essential for tribal courts to be effective in deterring crime in their communities.

There is no federally-supported institution to provide on-going, accessible tribal judicial training or to develop court resource materials and management tools, similar to the Federal Judicial Center, the National Judicial College or the National Center for State Courts. Even though the NWTCJA provides local training, the three or four meetings each year with one day of training at each meeting, cannot provide the in-depth extensive judicial training necessary to make tribal justice systems strong and effective arms of tribal government. Furthermore, in these difficult economic times, many tribes cannot afford to send judges to the trainings that are offered.

INADEQUATE FUNDING OF TRIBAL JUSTICE SYSTEMS

There is no question that tribal justice systems are, and historically have been, underfunded. The 1991 United States Civil Rights Commission found that "the failure of the United States Government to provide proper funding for the operation of tribal judicial systems . . . has continued for more than 20 years." The Indian Civil Rights Act: A Report of the United States Civil Rights Commission, June 1991, p. 71. The Commission also noted that "[f]unding for tribal judicial systems may be further hampered in some instances by the pressures of competing priorities within a tribe." Moreover, they opined that "If the United States Government is to live up to its trust obligations, it must assist tribal governments in their development . . ." Almost ten years ago, the Commission "strongly support[ed] the pending and proposed congressional initiatives to authorize funding of tribal courts in an amount equal to that of an equivalent State court" and was "hopeful that this increased funding [would] allow for much needed increases in salaries for judges, the retention of law clerks for tribal judges, the funding of public defenders/defense counsel, and increased access to legal authorities."

As indicated by the Civil Rights Commission, the critical financial need of tribal courts has been well-documented and ultimately led to the passage of the Indian Tribal Justice Act, 25 U.S.C. § 3601 et seq. (the "Act"). Congress found that "[T]ribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health, safety and the political integrity of tribal governments." 25 U.S.C. § 3601(5). Affirming the findings of the Civil Rights Commission, Congress further found that "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation." 25 U.S.C. § 3601(8). In order to remedy this lack of funding, the Act authorized appropriation base funding support for tribal justice systems in the amount of $50,000,000 for each of the fiscal years 1994 through 2000. 25 U.S.C. § 3621(b). An additional $500,000 for each of the same fiscal years was authorized to be appropriated for the administration of Tribal Judicial Conferences for the "development, enhancement and continuing operation of tribal justice systems . . ." 25 U.S.C. § 3614.

Eight (8) years after the Act was enacted, how much funding has been appropriated? Not one single dollar was even requested under the Act for fiscal years 1994, 1995, 1997, 1998 or 1999. Only minimal funds were requested for fiscal year 1996 and 2000. Yet, even these minimal funds were deleted. Even more appalling than the lack of appropriations under the Act is the fact that BIA funding for tribal courts has actually substantially decreased following the enactment of the Indian Tribal Justice Act in 1993 in anticipation of Congress making the appropriations Indian Country believed it would. In December 2000, Congress re-affirmed its commitment to funding of the Indian Tribal Justice Act by re-authorizing the Act for seven more years of funding (see Public Law 106–559, Section 202) but it did so without appropriating any monies for that purpose. Now is the time to follow through on this long promised funding and provide actual funding under the Indian Tribal Justice Act!

CONCLUSION

Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. They are the keystone to tribal economic development and self-sufficiency. Any serious attempt to fulfill the federal government's trust responsibility to Indian Nations must include increased funding and enhancement of tribal justice systems. The Northwest Tribal Court Judges Association welcomes the opportunity to comment on the Justice Department's Budget Request for the fiscal year 2002 funding of the Indian Country Law Enforcement Initiative and the Indian Tribal Justice Technical and Legal Assistance Act of 2000. Thank you very much.

PREPARED STATEMENT OF THE SEMINOLE TRIBE OF FLORIDA

The Seminole Tribe of Florida is pleased to submit this statement regarding the Tribe's fiscal year 2001 request for funding from programs in the Department of the Interior (DOI). The Tribe requests that Congress provide:

—$764,500 from the Bureau of Indian Affairs for water quality studies and other ecosystem restoration studies, as a part of the Tribe's Everglades restoration efforts; and

—$12 million for the Critical Ecosystem Studies Initiative (CESI) account in the National Park Service budget. The Tribe also seeks language in the Interior Department's appropriation bill's report specifying that, in lieu of a designated level of funding for Seminole water studies, the Tribe will receive a special consideration in competition for funding from the for activities related to the Tribe's Everglades Restoration Initiative on the Big Cypress Reservation.

The Tribe's Everglades Restoration Initiative is a comprehensive water conservation system designed to improve the water quality and natural hydropatterns in the Big Cypress Basin. The Initiative is designed to mitigate the degradation the Everglades has suffered through decades of flood control projects and urban and agricultural use and ultimately to restore the nation's largest wetlands to a healthy state. This Initiative will contribute to the overall success of both the federal and the state governments' multi-agency effort to preserve and restore the delicate ecosystem of the South Florida ecosystem.

This project will enable the Tribe to meet proposed numeric target for low phosphorus concentrations that is being used for design purposes by state and federal authorities. It will also provide an important public benefit: a new system to convey excess water from the western basins to the Big Cypress National Preserve, where water is vitally needed for rehydration and restoration of lands within the Preserve.

Department of Interior funding has helped the Tribe develop restoration programs and projects and ultimately define its role in the overall South Florida Ecosystem effort. The Seminole Tribe continues to make significant contributions to the restoration effort and looks forward to a continued partnership with DOI toward achieving our common goals.

The Seminole Tribe reviewed many federal programs in search of funding opportunities for the design, engineering, and construction of the projects that compose the Everglades Restoration Initiative. U.S. Army Corps of Engineers (COE) and the USDA Natural Resources Conservation Service (NRCS) programs have been identified as appropriate matches for the Tribe's Everglades Restoration Initiative. The Tribe and the COE initiated an agreement for design and construction of the western portion of the Big Cypress Reservation, along with a canal that transverses the Reservation, as a Critical Project under the authority of the Water Resources Development Act of 1999. The NRCS has identified a number of Farm Bill programs and the Small Watersheds Program as suitable for funding the design, planning, and construction of the project on the eastern portion of the Reservation.

The funds provided by the DOI have made it possible for the Tribe to do the research necessary to allow the COE and NRCS to complete final project designs. The Tribe continues to spend Tribal funds to advance the research and design and is prepared to provide the required cost share payments as required by the different federal programs. In addition, the results of studies the Tribe helps pay for with both the CESI funds from NPS and the BIA funds will be applicable to other entities supporting Everglades restoration.

BUREAU OF INDIAN AFFAIRS

The DOI, through the Bureau of Indian Affairs (BIA), has provided the Tribe with $199,500 in each of the fiscal years 1994 through 2001. The Tribe has used this BIA funding to complete studies and water quality and quantity monitoring that has proven critical to the Tribe's leading role in Everglades restoration. Continued funding at an increased level is necessary for the Tribe to complete a number of studies that will support the design, construction, and operation of the Big Cypress water conservation project. Funding through the BIA budget is also necessary because the source of supplemental funding in prior fiscal years (CESI, see below) has become so low as to not support the studies originally funded with the CESI funds.

Specific studies that would be supported through the increased level of BIA funding include the following:

—Forested Wetland Nutrient Uptake Research designed to address how to restore and maintain wetland communities of plants and animals weakened by the adverse impact of poor water quality and desiccation by re-establishing natural hydrology and water quality;

—Assimilative Capacity for Phosphorus of C & SF Canals on the Big Cypress Reservation designed to determine how to restore damage to wetlands caused by elevated levels of pollutants in water conveyed by canals;
—Seminole Tribe Data Collection and Monitoring designed to access ecosystem damage and explore methods to restore and enhance natural habitats; and
—Early Detection and Management of the Invasion of the Big Cypress Reservation by the Exotic Climbing Fern designed to prevent this invasive species from negating the restoration and preservation of native wetland communities.

NATIONAL PARK SERVICE

Through the NPS's CESI program, Interior provided the Tribe with $390,000 in fiscal year 1997, $920,000 in fiscal year 1998, and $684,125 in fiscal year 1999. A $460,000 appropriation was provided to both the Seminole and Miccosukee Tribes in the fiscal year 2000 appropriation cycle; the tribes shared the funding equally. In fiscal year 2001, it appears as if the Tribe will receive an even lower level of funding. The Seminole Tribe uses these funds to monitor and analyze the quality and quantity of water coming onto and leaving the Reservation and to conduct scientific studies to determine nutrient impacts. For example, the Tribe plans to study the assimilative capacity of the C&SF canals for nutrients, phosphorus in particular. The results of such monitoring and studies will be available to others studying ecosystem degradation and developing plans to arrest the harm.

In addition to this specific request for the Tribe's programs, we request that Congress fund the CESI account at the same level it has been funded in fiscal years 1998 and 1999, which is $12 million. In the last two fiscal years, the Administration cut the CESI account by one-third to $8 million, despite the important research that it funds; such research helps support critical Everglades ecosystem restoration. The recently released budget request for fiscal year 2002 cuts the CESI funding even further. The Tribe requests that Congress the restore the cuts to the CESI account and fund the research at the $12 million level.

At the $12 million funding level, DOI allocated $1 million to the Seminole and Miccosukee Tribes to share. Prior to fiscal year 2000, the Miccosukees did not participate in this program, so the Seminoles research was adequately funded at the $1 million level. When CESI's funding level was cut to $8 million, the Tribal allocation was cut to $460,000, a disproportional reduction. Also, the Miccosukees started participating in the program after the funding was cut. The effective reduction, due to reduced funding and the Miccosukees rightful participation, has prevented the Seminole Tribe from pursuing and completing scientific research necessary for ecosystem restoration.

To address the reduced level of funding, the Park Service proposed that the Tribe no longer receive a dedicated portion of the CESI funds, but that the Tribe compete through the funding decision process with the provision of a preference as a Tribe, and where applicable to specific projects, a preference for existing, previously CESI-funded projects. The Tribe requests that the Committee include in its report a notation of this selection process including the preferences for the Tribes and for previously funded projects.

CONCLUSION

Improving the water quality of the basins feeding into the Big Cypress National Preserve and the Everglades National Park is vital to restoring the Everglades for future generations. By granting this appropriation request, the federal government will be taking a substantive step towards improving the quality of the surface water that flows over the Big Cypress Reservation and on into the delicate Everglades ecosystem. Such responsible action with regard to the Big Cypress Reservation, which is federal land held in trust for the Tribe, will send a clear message that the federal government is committed to Everglades restoration.

The Seminole Tribe is working hard to realize the environmental benefits the Reservation and the surrounding ecosystem need. The Tribe is making substantial commitments, including the dedication of over 9,000 acres of land for water management improvements. However, as the Tribe moves forward with its contribution to the restoration of the South Florida ecosystem, a substantially higher level of federal financial assistance is needed as well.

The Tribe has demonstrated its economic commitment to the Everglades Restoration effort; the Tribe is asking the federal government to also participate in that effort. This effort benefits not just the Seminole Tribe, but all Floridians who depend on a reliable supply of clean, fresh water flowing out of the Everglades, and all Americans whose lives are enriched by this unique national treasure.

Thank you for the opportunity to present the request of the Seminole Tribe of Florida. The Tribe will provide additional information upon request.

PREPARED STATEMENT OF THE NATIONAL INSTITUTES FOR WATER RESOURCES

Mr. Chairman: I am Ken Reckhow, President of the National Institutes for Water Resources and Director of the North Carolina Water Resources Research Institute at North Carolina State University. My testimony requests the Subcommittee to provide $7,354,000 to the U.S. Geological Survey for the state water resources research institutes program.

I would like to thank you and this Subcommittee for the strong support you have given to the state water resources research institutes program in the past. As you know, last year Congress unanimously passed Public Law 106–374 which reauthorizes appropriations for this program through fiscal year 2005. This action reflects Congressional recognition that the state water resources research institutes are meeting their mission objectives as outlined in the Water Resources Research Act.

REQUEST

The National Institutes for Water Resources respectfully request the addition of $7,354,000 in the U.S. Geological Survey's fiscal year 2002 budget for the state water resources research institutes program. This recommendation is based on the following components:

—$5,600,000 in base grants for the water resources research institutes as authorized by Section 104(b) of the Water Resources Research Act,

—$1,500,000 to support activities authorized by section 104(g) of the Act, and

—$254,000 for program administration.

This recommendation would provide a $100,000 base grant to support the institutions which are located at land-grant universities in each of the states, plus territories. Currently, this base grant is approximately $75,000. In addition, it would provide for a modest increase in the highly popular competitive grants program. On behalf of the National Institutes for Water Resources and the water resources research institutes across the nation I wish to strongly support the need for a reasonable, yet vigorous water resources budget for the USGS for fiscal year 20002. The reductions recommended by the Administration are ill advised, particularly the reduction of support for the critical streamgaging network and water quality investigations.

JUSTIFICATION

Setting total maximum daily loads (TMDLs) for polluted streams, establishing a standard for arsenic in drinking water, cleaning up MTBE contamination of groundwater, controlling sewer overflows and urban stormwater, managing animal waste in environmentally sound ways—these are all highly complex public policy issues elected officials and administrators in virtually all of the states face. To resolve these issues, everyone looks to "sound science" for guidance or answers. The President wants sound science, Congress wants sound science, state and local governments want sound science, business and industry want sound science, and even environmental groups want sound science.

Where do we look for sound science in the water resources arena? Poll after poll has shown that when citizens look for impartial science, they look to university scientists. When Congress is not satisfied with the science behind regulations, it turns to the National Academy of Sciences, which then turns to university scientists. When businesses want sound science with the perception of impartiality, they turn to university scientists, as the nation's largest swine producer recently did for evaluation of waste management alternatives in North Carolina.

For more than 35 years the 54 state water resources research institutes have served to link university scientists working in the water quality and water quantity arenas with governments, business and industry, and citizens in efforts to produce sound science to resolve water issues at the local and state levels.

State water resources research institutes take the relatively modest amount of federal funding appropriated by this Subcommittee, leverage it with state matching funds and funding from other sources, including local governments, and use it to put university scientists to work finding solutions to the most pressing local and state water problems. In fiscal year 2000, the institutes generated about $14.50 in support for each federal dollar appropriated to them through this program and put three-quarters of every dollar they received into research projects. The remainder supports information transfer, training activities, etc. This program does not provide

any indirect costs to universities, unlike most federal research programs. All of the funding does to support the goals set forth in the Water Resources Research Act.

Federal funding for the water resources research institute program is therefore the catalyst that moves states to invest in university-based research to address their own water management issues. The added benefit is that often research to address state and local problems also helps solve problems at the regional and national level as well.

How do water resources research institutes know they're working on the most pressing water issues? Each institute brings together a local advisory panel typically consisting of local, state, and federal agency officials, representatives of business and industry, and representative of non-governmental organizations. These panels identify the most important water problems facing their states and establish priorities for research.

The work of the water resources research institutes doesn't stop with identifying needs and arranging for research to address the needs. Once research is completed, institutes also see that the results are transferred to the people in federal, state, and local agencies who will put it to work. In fiscal year 2000, institutes spent about 6 percent of their budgets on technology transfer activities, which includes publication of reports; presentation of seminars, workshops and conferences; maintenance of Internet sites, and one-on-one contact with agency personnel.

Institutes also help educate future water scientists. Quite often a significant portion of a research grant goes to pay part of the salary of a master's or PhD student studying in such critical fields as watershed hydrology, hydrogeology, aquatic ecology, toxicology, sanitary engineering, and water resources engineering. In fiscal year 2000, institutes provided research support for more than 1,380 students. As you know, our scientific workforce is aging and a mass exodus through retirements is expected in government, academia and industry over the next decade. Supporting the education of new scientists is a critical role of institutes that should be expanded.

In fiscal year 2000, water resources research institutes across the nation funded 847 research projects from their base grants, but we could have funded many more important investigations. Typically, institutes can fund only one of every four or five proposals they receive in response to solicitations based on their established priorities. Each year in North Carolina, our Advisory Committee selects from a long list of research needs, its top ten research priorities. We are never able to address all priority problems and may only be able to fund two or three new projects. It is clear to me that there are many critical research needs going unmet. For instance, last year our Advisory Committee identified as its number three research priority an investigation of the watershed-level impacts on water quality of hydrologic changes caused by urbanization. This information is critical for designing urban stormwater control programs that actually make a difference for water quality and aquatic habitat. However, such an investigation would require substantial funding over several years, and our funds are insufficient to support such a project.

If base grants, which we refer to as Section 104(b) grants, to institutes were increased by only $25,000, at the current rate at which institutes leverage federal funds, an additional $19 million in non-federal dollars could be invested in sound science to address priority research areas that are not being investigated.

The same is true for the regional competitive grants (or Section 104(g) grants) program administered by USGS in collaboration with the National Institutes for Water Resources. Priorities for this research program are set jointly by USGS and the institutes to address regional or interstate water problems. In fiscal year 2000 more than one hundred proposals were submitted for this competition, but with only $1 million in funding, fewer than one in twelve projects could be funded. Here again, regional and interstate research needs are not being met. For instance, in much of the Southeast we are suffering from a 3-year drought that some are now predicting to stretch out another 7 years. There are many unanswered questions about the effects of this drought not only on regional water supplies but also on water quality and habitat. We should already be planning how to respond to the potential for long-term drought, but there are many gaps in the information base. An increase in the competitive grants funding could catalyze additional research on regional problems such as effects of drought in the same way that an increase in base grants would catalyze research on local and state water resources problems.

Mr. Chairman, we are hearing a lot now about the need to assure an adequate supply of energy to support the nation's economic and social health. Energy is important, but water is more important to our economic and social well-being. Before too long, this country is going to face the unfamiliar problem of water scarcity. The Census Bureau estimates that we could add another 120 million people to our population over the next 50 years, but our supply of freshwater is static. We are not

going to discover new sources of water. What we must do to assure an adequate supply of water for the future is to learn to stretch the water supply we now have by conserving, protecting, and restoring what we have been given.

To protect our limited water resources we must know much more than we do now about the ecology and resiliency of aquatic systems and about the relationships between land uses and water quality. To gain this knowledge we need a dedication to long-term monitoring and research. Much of our surface water and significant areas of groundwater are impaired by pollution. We must find efficient ways to clean up these waters so they can be used for irrigation, industry and water supply. To find efficient methods to restore impaired waters we need research. Because surface water is a small part of our total freshwater supply and because the era of dam building is past, we must learn to utilize our groundwater more fully and more wisely. This means knowing a great deal more than we do now about groundwater distribution and recharge rates. It also means discovering how to use treated wastewater to recharge groundwater for future withdrawal in an environmentally safe way. We need research to produce knowledge about our groundwater resources and about sound methods to manage groundwater. Because our water supply is limited we need to learn to make use of a fuller range of waters, such as treated wastewater, brackish waters and seawater. Current water reuse and desalination technologies are promising but need further research development to be useful.

There are many pressing needs for new knowledge in the water resources area. For 35 years, the Water Resources Research Institute program has been linking university scientists to government, business and citizens to provide new knowledge and help solve problems. This is a productive, useful, and valuable partnership that should be continued and expanded.

This brings me to the final points I want to make—these on behalf of the USGS budget. In times of extreme hydrologic conditions, such as droughts and hurricanes—which are predicted to increase as a result of climate change—information from the USGS streamgaging network is our lifeblood. When storms drive streams out of their banks, it is information from USGS stream gages that the National Weather Service uses to issue flood warnings. When drought decreases streamflow, it is information from USGS stream gages that state and local governments rely on as indicators of future reservoir supply. Beyond these critical uses, stage and flow data from USGS stream gages support dozens of water quality, power generation and navigational programs, as well as a range of recreational activities. Increased support for the USGS stream gaging network is crucial for public safety and environmental management. Moreover, the USGS collects important water quality data that support state management programs and university research. USGS also conducts water resources investigations that often provide the only resource information available to local governments. USGS and the water resources research institutes are collaborative programs drawing upon each others capabilities and expertise to help state and local governments wisely manage their water resources.

Mr. Chairman, basing water quality and water quantity management on sound science is worthy goal. But, we have to invest to produce sound science. Congress must invest to catalyze states and states must invest to address their own issues. You can rest assured that if you do your part, the water resources research institutes will carry the challenge to state and local governments, business and industry, foundations and environmental groups to invest in sound science for water resources management. The National Institutes for Water Resources respectfully recommend this Subcommittee provide $7,354,000 to the USGS for the state water resources research institutes program authorized by the Water Resources Research Act. Thank you.

PREPARED STATEMENT OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS

Chairman Burns and Members of the Subcommittee: The American Society of Civil Engineers (ASCE) is pleased to offer this testimony on the proposed budgets for the United States Geological Survey (USGS) and for certain programs under the jurisdiction of the U.S. Department of Energy (DOE) for fiscal year 2002.

ASCE was founded in 1852 and is the country's oldest national civil engineering organization. It represents more than 125,000 civil engineers in private practice, government, industry and academia who are dedicated to the advancement of the science and profession of civil engineering. ASCE is a 501(c)(3) non-profit educational and professional society.

UNITED STATES GEOLOGICAL SURVEY (USGS)

The USGS is the nation's primary source of sound, credible, impartial earth-science data that are essential to the planning, design, construction and operation of numerous public and private facilities. These earth-science data are necessary to protect human health, safety and the environment through the development of facilities that both provide needed resources and prevent or mitigate the effects of natural hazards. One area of the fiscal year 2002 budget for the USGS that is of most concern to ASCE is water, as a resource and a natural hazard.

Water resources

ASCE has long supported the basic water-data-collection activities of the USGS. Reliable and accurate water data are of paramount importance to civil engineers who rely on this information every day to make critical decisions that impact public health and safety. Basic water data currently collected by the USGS are vitally important to water resource planning and the design, construction and operation of many projects.

Water, in the form of floods, is a major natural hazard to our people, our property and our environment. As our population increases, there is a growing need to develop programs and, in some cases, facilities to mitigate the effects of annual floods.

ASCE therefore is deeply distressed by the proposed funding cuts of $43 million (21 percent) in the water resources investigations budget for the USGS from the appropriated level of $202 million in fiscal year 2001. The proposed funding level of $159 million in fiscal year 2002 simply is not adequate to maintain the vitally necessary programs under this budget category.

Among the proposed cuts are $20 million from the National Water Quality Assessment (NAWQA) program and $10 million from the Toxic Substances Hydrology program. NAWQA studies have made significant contributions to the understanding of the sources and effects of contaminants in water resources. The Toxic Substances Hydrology Program has generated critical information about the sources, fate, and persistence of toxic substances in ground and surface water.

According to the Department of the Interior budget justification, "the Department will actively consult with the programs' stakeholders in 2001 to develop a more collaborative partnership based on reimbursable funding for the Toxics program and cost-sharing for the NAWQA . . . studies."

In a federal budget notable primarily for dramatic reductions in a number of vital environmental programs, we are skeptical that other federal agencies will be able to bring the same technical and financial commitment to the maintenance of the USGS programs. Similarly, state and local governments may not be able to put aside more parochial concerns to enable them to contribute significantly to what have largely been programs managed and funded through the USGS.

Moreover, another $5 million has been stripped from the streamgaging program. Streamgaging is one of the most important water resources programs at USGS. The streamgaging network collects information about the nation's water resources. It is a multipurpose network funded by the USGS and many other federal, state and local agencies. Individual streamgaging stations are supported for specific purposes such as water allocation, reservoir operations, or regulating permit requirements, but the data are used by others for many purposes. Collectively, the USGS streamgaging network produces valuable data that are used for current forecasting and operational decisions as well as long-term resource planning, infrastructure design, and flood-hazard mitigation. More than 6,000 stations are in operation today.

A small budget increase in fiscal year 2000 ($2 million) for streamgaging, plus the increases in fiscal year 2001 ($8.1 million total), provided a modest but significant beginning to meeting the goals of NSIP. The increases were used to add 37 new gages, reactivate 73 previously discontinued gages, upgrade equipment on 127 gages, and "harden" 15 gages as protection against flood damage. The delivery of streamflow information to the many users also was improved.

In conclusion, the USGS faces increasing demands for information as the infrastructure to supply the information is declining. Under the President's budget request for fiscal year 2002, the modest progress made in moving NSIP forward over the past two years will not continue.

—We respectfully urge the Subcommittee to bolster the USGS budget for water resources in fiscal year 2002. We recommend that the budget be increased by four percent over the fiscal year 2001 enacted level to a total appropriation of approximately $210 million.

DEPARTMENT OF ENERGY

Within the Subcommittee's jurisdiction are Department of Energy programs on fossil energy research and development, clean-coal technology, energy conservation, alternative fuels production and other subjects of great concern in light of the current energy emergency.

In our "2001 Report Card for America's Infrastructure" released in March, ASCE found that, although growth in electricity demand through 2020 is expected to be slower than in the past, 393 gigawatts of new generating capacity (excluding cogenerators) is expected to be needed by 2020 to meet growing demand and to replace retiring units. By 2020, 26 gigawatts (27 percent) of current nuclear capacity and 43 gigawatts (eight percent) of current fossil-fueled capacity are expected to be retired.

More than 10,000 megawatts (MW) of capacity nationally will have to be added each year between now and 2008 to keep up with the projected 1.8-percent annual growth rate. Since 1990, however, actual annual capacity additions have been averaging only about 7,000 MW, an annual shortfall of 30 percent.

Of the 162 gigawatts of new capacity expected after 2010, 16 percent will replace retired nuclear capacity. About 1,300 new power plants could be needed by 2020, according to the Energy Information Administration.

Additionally, the demand for natural gas is growing sharply. Annual U.S. gas consumption could increase by 60 percent over the next 20 years. The current estimate of the natural gas resource base in the 48 states, based on current technology and economics, is equivalent to at least 65 to 70 years of supply at the current level of consumption, according to the American Gas Association (AGA).

Coal-fired power plants are expected to remain the key source of electricity through 2020. In 1999, coal accounted for 1,880 billion kilowatt-hours or 51 percent of total generation. Although coal-fired generation is projected to increase to 2,350 billion kilowatt-hours in 2020, increasing gas-fired generation is expected to reduce coal's share to 44 percent. Concerns about the environmental impacts of coal plants, their relatively long construction lead times, and the availability of economical natural gas make it unlikely that many new coal plants will be built prior to 2005.

But slow growth in other generating capacity, the huge investment in existing plants, and increasing utilization of those plants are expected to keep coal in its dominant position. By 2020, it is projected that 11 gigawatts of coal-fired capacity will be retrofitted with scrubbers to meet the requirements of the Clean Air Act Amendments of 1990.

For all of these reasons ASCE believes that it is shortsighted to propose, as the President has done, to reduce total federal spending on such energy supply programs as renewable energy resources (36 percent), fossil energy research (17 percent), nuclear energy (nine percent) and energy conservation (two percent).

The only energy-supply program of importance to see an increase is the clean-coal technology program, which is slated to receive a boost from $9 million to $82 million in fiscal year 2002. We applaud this sensible step.

We need continued economical, reliable and environmentally responsible energy development and production in the United States. This is critical to industrial and commercial expansion, economic growth and stability, and minimizes dependence on foreign energy sources. Thus we support prudent management of our national energy resources and the timely development of new energy technologies.

—We urge the subcommittee to restore funding for those critical programs facing a reduction to their fiscal year 2001 enacted levels and to approve the President's proposed increase in clean-coal technology program funding.

PREPARED STATEMENT OF THE FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

Mr. Chairman, Members of the Committee, the Fond du Lac Band of Lake Superior Chippewa would like to thank you for this opportunity to present written testimony on fiscal year 2002 appropriations for the Department of Interior and Related Agencies.

The Fond du Lac Reservation was established by Treaty with the United States on September 30, 1854 and encompasses 100,000 acres of land in northeastern Minnesota. There is a population of 6,500 Indian people that live within the service area of the Reservation with the Band providing employment or services to most of them.

We are asking that you increase the bands funding by $8.5 million for fiscal year 2002 to develop the infrastructure necessary to continue to serve and protect the resources of the band.

We strongly support the Administration's request of additional funding under the Indian Country Law Enforcement Initiative. In 1997 the Minnesota Supreme Court

held that certain traffic regulations including speeding, driving without a license, and driving with no insurance were "civil-regulatory" in nature and under Public Law 280 are unenforceable by state police officers on the Reservation. The ruling known as the *Stone* decision, left a jurisdictional void with regard to law enforcement on the roads within Indian Reservations in the State. In order to fill this void, the Band has undertaken the establishment of its own Tribal police force through the Community Oriented Policing Services, Bureau of Indian Affairs and Tribal funds. In addition, the Band has worked with all local law enforcement agencies to establish a cross deputization agreement that ensures maximum law enforcement protection for the Reservation and it's citizens by allowing all law enforcement agencies within the Reservation boundaries to enforce each others laws. However, because of the short-term, limited financial resources available, there is significant unmet needs in this area. At Fond du Lac, we need long term monies to pay for staff and equipment to adequately ensure the safety of the Reservation population. In light of the *Stone* decision, we ask this committee to support the Administration's request for investment in strengthening Indian Country's Law Enforcement and Criminal Justice System and ask that this committee consider placing these initiatives into the BIA's permanent base budget. The Band currently employs seven police officers, six conservation officers, one records clerk, one prosecuting attorney, one clerk of court, one part time court recorder, and one part time judge. All of these staff positions are located within the Resource Management division. Along with this staff are thirty other permanent full time staff and fifteen full time seasonal staff housed in a building that was designed to house twenty. With the increased responsibility assumed by the Band there is an ever increasing need to expand the staff and it's capabilities. With this in mind we request a one time allocation of $6 million to the Band for expansion of the office space for the Resource Management division. We are also requesting that $1.5 million be added to our base budget to continue to implement and staff the court and enforcement systems for the Band.

Under Treaties with the United States made in 1837 and 1854 the Fond du Lac Band reserved the right to hunt, fish and gather on the lands ceded, a large portion of central and northeastern Minnesota, to the United States. The Band's rights under these treaties have been recognized and upheld by the federal courts—most recently the United States Supreme Court. On March 24, 1999 the Supreme Court issued a decision expressly re-affirming the Band's hunting and fishing rights in the 1837 Ceded Territory. Under established Band conservation law, the exercise of these off-reservation treaty rights require that the Band take the steps necessary to ensure proper use and management of the natural resources. This means the Band is responsible for member's hunting, fishing and gathering activities over approximately 8,000,000 acres of land. The Band has adopted, along with the federal courts, a code and a resource management plan that protects the exercise of treaty reserved rights and the resources. It is very essential that the Band continues to manage it's on-reservation resources in order to meet the demands of an increasing population. Established by the Treaty of 1854 with the United States, the home of the Band is 110,000 acres in northeastern Minnesota. The waters, wildlife, wild rice and the forest resources of the reservation are vitally important to it's members as these resources provide the foundation for our culture, subsistence, employment and recreation. The Fond du Lac Reservation includes some 3,200 acres of lakes, 1,900 acres of wild rice lakes and associated wetlands, 66 miles of cool water streams, and 17,500 acres of forest with the remaining acres being used by individual land owner for housing and development. The increasing resident population and development are placing all resources under great stress. The loss of wild rice acres, wildlife habitat, and the decline of our forest are of great concern to the Band. Therefore, we are seeking an additional $1 million be added to the Band's base budget for it's natural resource programs that will enable us to address the challenge to protect these resources for the future generations on Fond du Lac.

We ask that the House Appropriations Committee support the Fond du Lac Band in behalf of the Fond du Lac Ojibwe Schools to support Cooperative Agreements entered into by the Band and Public Schools. Such agreements are authorized under 25 U.S.C. § 2010 (f)., and expressly authorize the Secretary to use funds allotted to Bureau Schools to implement cooperative agreements with local public school districts, and expressly defers to the Band, its school board, and the public school district in determining the content of such agreements.

The congressional intent underlying the cooperative agreement provision, as with Title IX of the Improving America's Schools Act generally, is to encourage the development of tribal education programs which are responsive to the particular educational needs of the tribal community.

Fond du Lac and the Cloquet Public Schools are currently in their third year of an historic cooperative agreement that has been widely applauded for its innovative-

ness and effectiveness in providing culturally appropriate remedial education to American Indian students who are enrolled in a public school. The Commissioner of the State of Minnesota Department of Children, Families and Learning congratulated both the public school and the tribal school for their ". . . innovative efforts in creating new agreements and structures to better serve students. . . ."

Fond du Lac is in full support of Acting Assistant Secretary James McDivitt's fiscal year 2002 budget request of $2.2 billion. Within this budget New School Construction is a high priority in order to make schools safe and adequately equipped to meet the diverse needs of all American Indian students. We strongly support the Bureau's budget request of $292.5 million, an increase of $162,000 over the fiscal year 2001 enacted level, to replace older, unsafe, and dilapidated schools on reservations.

In addition, we also support the Bureau's budget request of $122.8 million for replacement facilities for six schools: Polacca Day School, Polacca, Arizona; Holbrook Dormitory, Holbrook, Arizona; Wingate Elementary School Dormitory, Fort Wingate, New Mexico; Sante Fe Indian School, Sante Fe, New Mexico; Ojibwa Indian School, Belcourt, North Dakota; and Paschal Sherman Indian School, Omak, Washington. The request also provides $5.0 million for advanced planning and design of future replacement schools.

The fiscal year 2002 budget request includes $161.6 million to address critical health and safety concerns existing at many Bureau schools throughout the country. The requested increase of $13.6 million over fiscal year 2001, will fund much needed maintenance and repair projects to reduce the backlog of needed repairs to BIA school buildings.

Fond du Lac strongly supports the Bureau's fiscal year 2002 budget request of $543.1 million for Indian Education, an increase of $16.6 million over the fiscal year 2001 amounts. The increase will ensure that BIA schools maintain accreditation and have access to technology (computers) and other critical learning tools. In addition, the request provides a $1.0 million increase for operating grants to 25 tribally controlled community colleges.

Fond du Lac received fiscal year 2000 construction funds to build a New School (pre-k through grade 12), and is currently involved in a new school construction project. Construction is scheduled for completion for the Fall of 2001. We express a sincere Miigwech for the support, confidence, and assistance received from the Bureau of Indian Affairs, Senators, Congressman, and all Committee staff who continue to invest in our Education program.

We would especially thank Senator Paul Wellstone; Congressman Martin Sabo, and Congressman James Oberstar. Your continued support has provided the Fond du Lac Reservation with an historic opportunity to provide its community with an education facility that will dramatically increase educational opportunities for the entire Fond du Lac Reservation community.

In conclusion, the needs at Fond du Lac and throughout Indian Country remain massive. Your support to preserve the current BIA funding request is critical to maintain current program levels. Your consideration for our additional funding requests will enable us to improve the delivery of services to Band members and help ensure that we enter the 21st Century with a renewed sense of hope.

Miigwech. Thank you.

FOND DU LAC LAW ENFORCEMENT DEPARTMENT

Project goal

The establishment of a full time police force for the protection of all residents within the boundaries of the Fond du Lac reservation through increased staff and patrol capabilities.

Project objectives

1. To provide 24 hour, 7 day a week patrol.
2. To provide an adequate court system for the Reservation.
3. To staff and equip the department to provide adequate enforcement for the Reservation.

Problem statement

In 1997, the Minnesota Supreme Court held that certain traffic regulations including speeding, driving without a license, and driving with no insurance are "civil-regulatory" in nature, and under Public Law 280 are unenforceable by state police officers on the Reservation.

Justification

The ruling left a jurisdictional void with regard to law enforcement on the roads within Indian Reservations in the State. In order to fill this void, the Band has undertaken the establishment of its own Tribal police force. In addition, the Band has worked with all local law enforcement agencies to establish a cross deputization agreement that ensures maximum law enforcement protection for the Reservation and its citizens by allowing all law enforcement agencies within the Reservation boundaries to enforce each others' laws. The Band currently employs four police officers, one records clerk, one part time prosecuting attorney, one part time clerk of court, one part time court recorder, and one part time judge. With current staffing patterns and the increased responsibility assumed by the Band there is an increased need to expand the staff and its capabilities. Additional funding in the Band's base budget would allow these efforts to bring about the enforcement capabilities for the Law Enforcement Department.

Fiscal year 2001 request.—$1,500,000

FOND DU LAC RESOURCE MANAGEMENT CENTER

Project goal

To provide adequate space for the Resource Management staff to allow for increased capabilities.

Project Objectives

1. To allow for needed expansion of staff.
2. To keep staff centrally located for better coordination and communication.

Problem Statement

The Resource Management Staff of the Band has increased to 45, with expansion to 50+ in the next year, and are currently housed in office space designed for 20.

Justification

The Band is assuming more responsibility in the management of its treaty reserved resources, its on reservation resources, and its civil regulatory authority. In doing so, the staff has had to increase in numbers and capabilities. With the increase in responsibility and staff has come a need for an increase in the space available for housing these programs. The current building does not allow for expansion as it is constructed in a manner that would not support further expansion. A new facility would allow the Band to meet all current needs and serve the Band with future development.

Fiscal year 2001 request.—$6,000,000

FOND DU LAC CEDED TERRITORIES PROGRAM

Project goal

To implement the Fond du Lac Integrated Resource Management Plan (FDLIRMP) to protect, manage and enhance the natural resources of the Ceded Territories of the Band with increased staff capabilities.

Project objectives

1. To implement the FDLIRMP.
2. To staff and equip program to complete identified projects.
3. To maintain and enhance the Band's exercise of Treaty reserved rights

Problem statement

The population of the reservation is on the increase and the competition for fish, wildlife, and plant resources has reached an all time high. The Band must turn to the Ceded Territories to relive some of the pressure on the reservation resources.

Justification

Over the past 20 years the Band has experienced a population migration back to the Reservation. The standard of living has increased with the availability of housing and jobs has enticed many band members to return and take part in the development of the Reservation. This development has taken it's toll on the Reservation resources through a decrease in available habitat and an increase in pressure from an increasing population To provide these opportunities the band has turned to the Ceded Territories. The Band has taken an active role in the exercise of Treaty reserved rights and management of the natural resources used by band members by hiring 2 biologists and 4 enforcement staff. This staff was not adequate but, were able to manage the 1854 area now, with the addition of the 1837 area, staff is

stretched thin and management efforts are suffering. To meet the increase in demand from a larger population the Band is seeking additional funds be added to its base budget.

Fiscal year 2001 request.—$600,000

FOND DU LAC NATURAL RESOURCES PROGRAM

Project goal

To implement the Fond du Lac Integrated Resource Management Plan (FDLIRMP) to protect, manage and enhance the natural resources within the boundaries of the Fond du Lac reservation with increased staff and project capabilities.

Project objectives

1. To implement the FDLIRMP.
2. To implement the highest priority projects on Reservation.
3. To staff and equip the program to complete identified projects.

Problem statement

The responsibility of the Band has expanded tremendously over the past ten years without any increase in its base budget.

Justification

The land base of the Band is undergoing changes from a variety of directions. An increase in the population has placed greater demand for development of housing and industrial use which in turn are competing with the demands for cultural and traditional uses. The protection of these resources are dependent upon a balanced approach to ecosystem management which would include implementing the Band's IRMP. An increase in funding of the Band's base budget would allow the program to integrate the changes in population and the demands on the natural resources in a manner that will bring back balance to the reservation's ecosystem.

Fiscal year 2001 request.—$400,000

PREPARED STATEMENT OF THE NATIONAL TRUST FOR HISTORIC PRESERVATION

I appreciate the opportunity to submit this testimony to the Subcommittee on Interior in support of fiscal year 2002 funding for historic preservation. For fiscal year 2002, the National Trust urges the subcommittee to provide full funding from the Historic Preservation Fund (HPF) at $150 million. Within this level of funding for the HPF, we ask you to provide significant increases in funding to the State Historic Preservation Offices (SHPOs), Tribal and Native Hawaiian preservation programs and at least $35 million for the Save America's Treasures program. The National Trust also supports the request of $3.31 million for the Advisory Council on Historic Preservation.

The National Trust for Historic Preservation appreciates the Subcommittee's past support for historic preservation, and the promise of increasing support in the future made in last year's Land Conservation and Infrastructure program. Not only was funding from the HPF set at an all-time high level of $94.347 million, but a Congressional commitment was made to protect that level of funding in the future and to give preservation the opportunity to compete for a share of an additional $120 million this year. In future years, those additional competitive funds were to increase to $600 million. It would not seem unreasonable for champions of historic preservation across the country, who have seen no increase in funding for decades, to expect funding in fiscal year 2002 to begin to close in on the authorized level of $150 million.

Unfortunately, the Administration's budget request for the HPF in 2002 is only $37.055 million, a drastic decrease in funding. No funding was requested for the Save Americas Treasures program, funding for Historically Black Colleges and Universities was eliminated and deep cuts were made in funding for the SHPOs. Cutbacks of this magnitude would be a serious mistake.

Our nation's historic resources are at risk. In the decades since World War II, in tragic counterpoint to the growth of the sprawling new suburbs, we have witnessed the progressive erosion and loss of older neighborhoods and communities all across the country. The erosion of these neighborhoods destroys our quality of life, drives middle-income families out of our cities, promotes sprawl and limits areas where we can raise our children.

Historic preservation stabilizes and rejuvenates core urban and small town business districts and neighborhoods. We have seen the successes of historic preservation across the country—in Virginia City, Montana millions of dollars have been appropriated on both the state and federal level to acquire and preserve 200 buildings and artifacts to turn the city into a museum on the history and development of the Rocky Mountain Mining Frontier. Members of Congress can see examples of the impact of historic preservation in neighborhoods like the Capitol Hill, Logan Circle and U Street NW historic districts in Washington, D.C. Historic communities by their very appearance and design create a sense of community and act as engines for redevelopment.

Funding from the Historic Preservation Fund gives the states and tribes important resources to help protect and revitalize historic communities. The state and tribal historic preservation offices are the link between the federal historic preservation program, for which they have a principal implementing responsibility, and local communities seeking to preserve their historic resources. The SHPOs match their federal funds at a rate of 50 percent, making this one of the most leveraged and highly economical programs funded by the federal government. The state historic preservation offices utilize their HPF allocations to perform myriad services; to help local governments and citizens revitalize and preserve their communities; provide funding to meet state and local preservation goals; encourage economic development through heritage tourism; educate and work with federal agencies to minimize harm to historic places, and myriad other activities too numerous to mention. Many American Indian Tribes and Native Hawaiian organizations perform similar functions in their communities across the country.

Since the early 1980s, when their federal funding was cut significantly, the states and tribes have seen a steady and significant rise in their responsibilities while their funding has remained essentially level and, in real dollars, actually declined. The increases in SHPO responsibilities are in several areas including: implementing new policies requiring Federal agencies to first considering locations in historic structures in down towns; administering the Historic Rehabilitation Tax Credit program; and administering a competitive grant program for local governments. These funds are necessary for them to fulfill their responsibilities under the National Historic Preservation Act and to respond to the needs of the citizens and elected officials of their states. Last year, Congress finally provided a significant increase in funding for the SHPOs, bringing them back to the level where they should be just to have kept up with inflation over the last twenty years.

The Save America's Treasures program preserves historic structures and sites, intellectual expressions, and cultural artifacts that are significant to the history and culture of our nation and are at risk. It is engaging more Americans in the preservation of their heritage than any event since the 1976 Bicentennial and the funds provided are matched, dollar for dollar, from private sources. In fiscal year 2000, $30 million was distributed for the restoration and preservation of 71 projects in more than two dozen states and the District of Columbia. Preservation projects of immense importance have been funded including the Manhattan Project Site in Los Alamos, New Mexico; Weston State Hospital in Charleston, West Virginia; an online historical investigation project at the Butte-Silver Bow Public Archives in Butte, Montanta; the Sitka Pioneers Home in Sitka, Alaska; and Babe Ruth's scrapbooks. However, the demand for Save America's Treasures funds have greatly exceeded the $95 million appropriated over the last three years. More than 700 official SAT projects have been designated, but only a small portion of them have received any federal funding. More than $3 billion in needed funding has been detailed by these SAT projects. It does not make sense for the federal government to eliminate this program now and walk away from this tremendous, demonstrated need.

At the request of the Administration, the National Trust has served as the White House's lead private partner in this program, with primary responsibility for public education and resource development. Beginning with Polo Ralph Lauren's extraordinary $13 million contribution to restore and preserve the Star Spangled Banner, the private "Save America's Treasures" initiative has succeeded beyond our most optimistic expectations. We have raised over $52 million in private support for preservation projects in communities across the country. Despite this success, we have only scratched the surface. For example, a $1 million SAT grant fund created by the Getty Foundation at the National Trust attracted over 200 applications. With a maximum award of $50,000, we were able to make a total of 37 grants in 29 states.

To date, almost $150 million in public and private funds has been raised to save our nation's treasures. Together, the new public and private commitments and the greater public awareness of the nation's needs will result in the largest increase in preservation activity in over 30 years. Whether composed of stone, wood, parchment,

or cotton canvas, these fragile American treasures have survived decades, centuries, and even millennia to be entrusted to our hands. Save America's Treasures seeks to ensure that they will continue to illuminate and inspire countless generations to come. I hope that the subcommittee will agree to provide another year of funding for the Save America's Treasures program. No less than the memory of our country is at stake.

The message that I would like to leave with you today is that our nation's heritage is deserving of continuing federal government support at the highest possible levels. Many years ago a commitment was made to provide $150 million a year for historic preservation, but that level has never been reached. The 106th Congress finally made significant strides toward that goal, and the retrenchment proposed by the Administration to the 107th Congress is not justified. I urge the Subcommittee to live up to that commitment to preserving our heritage by fully funding the historic preservation program.

PREPARED STATEMENT OF THE NATIONAL PARKS CONSERVATION ASSOCIATION

The National Parks Conservation Association (NPCA) is pleased to share its views regarding the programs in the Department of Interior's budget that affect national park resources and requests that this statement be included in the hearing record for the fiscal year 2002 Interior and Related Agencies appropriations bill. NPCA is requesting an increase of $120 million over the current spending levels, for a total of $1.5 billion in fiscal year 2002 for the operation of the National Park System (ONPS). This represents an increase of $41 million over the Bush Administration's requested fiscal year 2002 increase for the ONPS. Further detail on this request follows.

NPCA is the only national nonprofit conservation organization that advocates exclusively for the National Parks. Through public education, advocacy, and citizen outreach, NPCA works to protect, preserve, and enhance America's National Park System for present and future generations.

NPCA appreciates the opportunity to share with you our priorities for funding and we respectfully request the Committee consider these views as you shape the fiscal year 2002 budget for the Department of Interior and Related Agencies.

The National Park System faces many challenges. For decades, the National Park Service (NPS) has lacked the funds needed to manage adequately the wildlife, landscapes, and historic and cultural artifacts protected within the NPS. The Park Service's own research has shown that not a single park has completed inventory of its plants, animals and historic artifacts; the Park Service cannot control invasive species on 93 percent of its lands that suffer from exotics; 63 percent of the threatened and endangered species in the national parks are expected to decline in the next five years; and 67 percent of the cultural artifacts in the Park System are in poor condition.

During the past three years, a series of detailed park budget studies by NPCA and the NPS have revealed just how deeply decades of funding shortfalls have eroded the Park Service's capacity to protect our nation's parks. Called the Business Plan Initiative (BPI), these studies team graduate students from the nation's top business and government management schools with park managers to analyze park administrative and financial needs. Studies and business plans have been completed for two dozen national parks. BPI has identified two fundamental problems: (1) park operations suffer an annual funding shortfall of at least 35 percent, or about $600 million annually; and (2) the money the Park Service does receive is not used as strategically as it could be, emphasizing short-term visitor needs over long-term park protection.

Upon examination of President Bush's submitted budget proposal for fiscal year 2002, NPCA finds that it fails to balance legitimate needs for reducing the infrastructure and maintenance related backlog with longstanding shortfalls in the daily operations needs of the parks, especially in the areas of resource protection and visitor education.

A strong financial commitment by both Congress and the Bush Administration is desperately needed to protect and enhance our national parks, not just for the roads and buildings that serve the visitor experience, but for the natural and cultural treasures that are the raison d'être of the parks' designation. To this end, NPCA recommends the following budget priorities and associated funding levels for the National Parks Service in fiscal year 2002:

OPERATION OF THE NATIONAL PARK SYSTEM

NPCA is pleased the Administration has increased the budget request for the operation of the National Park System in it's fiscal year 2002 request. However, the increase of $79 million is far from sufficient to meet the growing demands and needs of the increasingly stressed national park units. Furthermore, $46 million of this increase represents fixed cost increases for employee salaries (covering approximately 75 percent of the real cost impact of grade changes and cost of living adjustments) and $20 million is dedicated to the Natural Resource Challenge. This leaves only $13 million in new spending for the operation of our national park system.

NPCA requests significant increases to the operation of the National Park System to be introduced over time, with an additional $600 million in operations by fiscal year 2006, a figure in line with the conclusions from the two dozen business plans completed to date. For fiscal year 2002, NPCA proposes an increase of $120 million over the enacted fiscal year 2001 budget ($41 million over the Administration's fiscal year 2002 request), for a total of $1.5 billion in fiscal year 2002 for operation of the ONPS. Of this amount, at least 55 percent should be used to protect park plants, animals, and historic and cultural artifacts and to improve park interpretation. Remaining funds can be allocated to reducing maintenance backlog.

NPCA recommends the following breakdown for the additional $120 million in fiscal year 2002 for system-wide resource protection needs:

[In millions of dollars]

Base budget increase for 24 parks with needs identified in existing business plans	50
Natural Resource Challenge	20
Other high priority natural and cultural resource projects identified by NPS	50

NATURAL RESOURCES CHALLENGE

NPCA strongly supports the Administration's continued commitment to fund the Natural Resources Challenge—a multi-year program to strengthen natural resources management in the National Park Service. This program calls for expanded natural resources inventory programs to give the Park Service critically needed information for resource management within the parks. NPCA supports the Administration's request of an increased $20 million for a total of $49.5 million in fiscal year 2002 to continue funding this important program.

CONSTRUCTION AND MAINTENANCE

The Bush Administration's has proposed $440 million in fiscal year 2002 for construction and maintenance to address the National Park Service maintenance backlog. However, on close inspection of the budget request, it appears that $100 million of this amount is derived from Recreation Fees and is not new funding. The $61 million in additional funding for fiscal year 2002 represents a real increase of just over one percent of the $4.9 billion backlog that the President has promised to eliminate over the next five years.

Finally, Congress and the Administration should adopt a framework for increasing NPS budgets that holds the Service accountable to targets for improved resource protection. This includes increasing the financial expertise of park staff and generating business plans for all parks.

Thank you for your consideration of our views. NPCA greatly appreciates the Committee's past support for our national parks and we look forward to continuing to work with you to protect America's parks as the fiscal year 2002 budget process moves forward.

PREPARED STATEMENT OF THE TOHONO O'ODHAM NATION

WESTSIDE CLINIC

Villages in the western portion of the Tohono O'odham Nation ("Nation") are considered remote in terms of access to health care. Village residents must travel up to 90 miles over poorly maintained and often unpaved roads to the nearest health care facility; some villages are entirely isolated during heavy rains. Furthermore, data provided through the Level of Need Funding acknowledges that healthcare for the Tohono O'odham is funded at 49 percent of the medical funding required when compared to other federally recognized tribes. The Tohono O'odham Legislative

Council has authorized tribal funding for construction of a 28,000 square foot healthcare facility and dental clinic to serve the Nation's western districts. The Public Health Service/Indian Health Service (PHS/IHS) has notified the Nation of its selection to participate in the fiscal year 2001 Joint Venture Construction Program (JVCP). The notification letter stipulates that this funding is allocated for medical equipment only and is considered nonrecurring. Recurring funding for staffing is a critical element that is not addressed in the fiscal year 2001 appropriation and is essential to successfully operate the facility the Nation has chosen to fund. Based on the current unmet need for staffing, the Nation is requesting $2.7 million to hire approximately 57 staff members to work in the various departments once the facility is completed. Improved access to quality health care is an essential need of the Tohono O'odham people and staffing the JVCP facility will accommodate this need.

Contact Person: Silvia Parra, Director of Human Services, P.O. Box 815, Sells, AZ 85634. Telephone: (520) 383–6100.

VETERANS MEMORIAL MONUMENT AND PARK

The Tohono O'odham Nation consists of 25,000 tribal members living in 11 districts and 85 villages in an area approximately the size of Connecticut. Despite the fact that Native Americas have served in the United States Armed Forces at a higher rate than any other group, the Nation does not yet have a Veterans Memorial Park or Monument to honor Tohono O'odham men and women who have so served. Such a Monument and Park are needed to honor all who have made the supreme sacrifice as well as for veterans and families that are still healing. The Air Force has agreed to help clean and prepare an existing site donated by the Nation for the Memorial Park. Funds have not been allocated for the Air Force or the Tohono O'odham Veterans Affairs Office to make purchases for the Veterans Memorial Park on the Tohono O'odham Nation. $150,000 is requested to build the Memorial Monument and Park.

Contact Person: Julius Anguiano, Director of Veteran Affairs Office, Executive Department, P.O. Box 837, Sells, AZ 85634. Telephone: (520) 383–2028.

BUREAU OF INDIAN AFFAIRS (BIA), PAPAGO AGENCY, BRANCH OF ROADS MAINTENANCE

Introduction.—The Branch of Roads ("Roads") is responsible for providing a safe transportation system for the Tohono O'odham Nation and the traveling public. This is accomplished by involving and assisting the Nation in transportation system development, maintenance, and construction, thus ensuring the health, safety, and economical use of the road system. The Nation's growing population, increased public transportation, through traffic to the Republic of Mexico, and the extreme desert conditions found on the Nation create a high demand for efficient roads.

Functional Statement.—Roads is responsible pursuant to 23 U.S.C. 116; 24 U.S.C. 318(a); and 25 CFR 170.6 for maintaining 440 miles of earth, 110 miles of gravel, and 333 miles of paved surfaces, for a total of 883 BIA roadway system miles over a 2.8 million-acre land area. The program currently maintains only approximately 55 percent or 486 miles of roadways due to lack of funds to hire additional personnel and purchase much needed equipment. The current staff consists of 1 Supervisory Civil Engineer Technician, 1 Secretary, 1 Mechanic, 3 Engineering Equipment Operators, and 1 Laborer. Older roads, new roads and bridges need maintenance to prevent deterioration. Without additional funds it will take five years or more before the newer roads and bridges can be properly maintained. In fiscal year 2002 Roads requires a minimal operating budget of $500,000. This money will be used for equipment maintenance, operating costs, supplies for signing, crack sealing, training, and salaries.

Maintenance Equipment.—New equipment to be purchased: 1 Front End Loader @ $125,000, 3 Dump Trucks with Plows @ $150,000, 3 Belly Dump Trailers @ $150,000, 2 Tractor Mowers @ $80,000, 2 Water Trucks @ $80,000, 1 Steel Wheel Roller @ $150,000, 2 Motor Graders @ $650,000, 2 Rubber Tired Rollers @ $80,000, and 2 Truck Tractors @ $200,000, a total approximate estimate cost = $1,665,000.

Contact Person: George Martinez, Supervisory Civil Engineer Technician, Bureau of Indian Affairs, Papago Agency, P.O. Box 578, Sells, AZ 85634. Telephone: (520) 383–3336

ADULT AND JUVENILE CORRECTIONS CENTER: PROJECT SUMMARY

Since 1995, the Average Daily Population (ADP) at the Tohono O'odham Adult Jail Facility—which was originally built to house 34 inmates—has increased by 107 percent, from 50.8 in 1995 to 105.1 in 1999. Between 1990 and 1999, the ADP in the Juvenile Facility has increased 188 percent, from 5.8 in 1990 to 14.9 in 1999.

These populations have risen consistently since 1990, and do not include the undocumented aliens crossing into the United States from Republic of Mexico and processed at the Nation's jail facility. During the year 2000, for example, the Tohono O'odham Police processed 450 undocumented aliens through the jail facility; this includes men, women and children. These increasing numbers justify the immediate need for this facility.

The proposed facility will comprise two components: Adult Detention and Juvenile Detention. The facility will house 220 adults and 72 juveniles with the ability to expand, if necessary. The estimated cost for the architectural design and engineering of this facility is $2,000,000. The total cost for both components, including furnishing, contingency fees and taxes is $41,990,490. A major emphasis in this project is on programming, which includes remedial classes, GED classes, vocational education, and counseling (e.g., parenting skills, life skills, and psychological counseling). The lack of this type of programming within a correctional facility has been identified as a possible reason for inmate population increase. We believe that including a series of comprehensive programs for inmates will reduce the recidivism.

Contact Persons: Lawrence F. Seligman, Chief of Police, Tohono O'odham Police Department, P.O. Box 189, Sells, AZ 85634. Telephone: (520) 383–6436; Max A. Chavez, Court Administrator, Tohono O'odham Nation Justice Center, P.O. Box 761, Sells, Arizona 85634. Telephone: (520) 383–6300.

EMPLOYMENT ASSISTANCE PROGRAM SUMMARY

The Employment Assistance Program assists eligible individuals through Direct Employment Funding and Adult Vocational Training. Information is provided to individuals with employable skills for suitable jobs on and off the Tohono O'odham Nation. One-time financial assistance is also provided until the first payroll check is received. To ensure this assistance, an applicant must apply immediately upon acquiring employment as there is limited time within which a request is approved.

In addition to financial aid, other services include Adult Vocational Training (AVT), which assists potential clients in acquiring job skills necessary to obtain employment. Vocational counseling or guidance assists participants in making career choices. Information related to training options and employment availability on and off the Tohono O'odham Nation is also provided.

Uncertainties in the fiscal year 2002 final budget allocation prevent the program from making long range plans or commitments to financially assist a greater number of individuals. Balancing daily duties and scheduled presentations is difficult with a one-person program. Students are enrolled in an ongoing process. The Education Assistant Specialist is required to meet with clients on a daily basis to provide training information and review files with both the client and institution to assess completeness. $350,810.33 is need to employ additional staff who will contact and otherwise support clients as well as follow-up with institutions and employers.

Contact person: Louis Lopez, Educational Assistant Specialist, Employment Assistance Program, P.O. Box 837, Sells, Arizona 85634. Toll Free Number: 1–888–966–3426; Fax: (520) 383–2668.

HIGHER EDUCATION SERVICES FISCAL YEAR 2002 APPROPRIATIONS SUMMARY

The Higher Education Services is a program designed to assist tribal members in obtaining higher education through a traditional four-year college, community college, or a technical school. The main component of Higher Education Services is to provide quality training and education for tribal members through available funds. The Education Assistance Specialist (EAS) works closely with high school counselors in providing information and materials for students interested in post secondary education. All high schools the program visits have students who are potential clients.

In the past two years Higher Education has funded 98 students pursuing various degrees. Six students graduated in 1999 with six more graduating in 2000. This year the program expects to graduate at least 12 students. The program expects to fund at least 150 clients in the next two years and anticipates 25 clients graduating.

The uncertainties of the fiscal year 2002 final budget allocation make providing funding to students requesting assistance difficult and prevent the program from implementing long-range plans or financially assisting a greater number of individuals. In addition, the lack of funding for staff makes it difficult to provide services year-round and to avoid interrupting services during the new fiscal time period. $541,343.94 is needed to fully fund this program.

Contact person: Annamarie Stevens, Education Assistant Specialist, Tohono O'odham Higher Education Services, P.O. Box 837, Sells, Arizona 85634. Telephone: (520) 383–6571 or 1–888–966–3426. Fax: (520) 383–2668.

NEEDS FOR BIA SCHOOLS SERVING THE TOHONO O'ODHAM NATION

The four Bureau of Indian Affairs schools on the Tohono O'odham Nation have identified needs which cannot be met at the present level of funding. These needs include additional staff members, improved instructional materials, and safe playground equipment for lower elementary grades. $2,345,200 in additional funding through the Bureau of Indian Affairs Indian School Equalization Program will be used to purchase instructional materials to align school curricula with state standards, improve playground equipment at two elementary schools, and to fully fund forty-six positions for nurses, school counselors, librarians, reading teachers, language and culture teachers and aides, and support positions.

Routine preventive maintenance has been seriously limited by past funding restrictions. Adequately funding maintenance will allow schools to properly maintain buildings and equipment. $13,775,000 in additional funding from BIA Facilities Management and Construction Program will be used at four schools to correct identified health and safety deficiencies, upgrade fire systems, to complete overdue facility improvements and repair projects related to simple aging of the buildings. Specific projects include replacing roofs and old air conditioning units at two schools and replacing inadequate evaporative coolers with air conditioning equipment at three of the schools.

The BIA schools also request assistance in having quarters funding generated by rental units at three school locations distributed to the BIA Papago Agency, OIEP, Education Line Officer rather than to the BIA Agency Office of Indian Programs. This will allow more immediate access to funds available for quarters maintenance.

Contact Person: Karen Dawson, Acting Superintendent, Bureau of Indian Affairs, Office of Indian Education Programs, HCO1 Box 8600, Sells, AZ 85634. Telephone: (520) 383–3501.

PREPARED STATEMENT OF DEFENDERS OF WILDLIFE

Defenders of Wildlife's five top priorities for fiscal year 2002 funding are: (1) the Fish and Wildlife Service (FWS) endangered species program; (2) the new Land Conservation, Preservation and Infrastructure Improvement Fund, especially FWS State Wildlife Grants; (3) National Wildlife Refuge System Operations and Maintenance; (4) U.S. Geological Survey, especially the Biological Research Division; and (5) Bureau of Land Management National Monuments. We have grave concerns about the President's budget request in these areas, as discussed below.

FISH AND WILDLIFE SERVICE ENDANGERED SPECIES FUNDING

The Administration has requested a rider that would significantly restrict, and in many cases eliminate altogether, the ability of citizens and conservation groups to secure protection for endangered and threatened species under the Endangered Species Act (ESA). We are adamantly opposed to this rider and to all other anti-environmental riders.

The ESA includes three critical checks and balances to ensure that political and economic influences do not undermine protection of endangered and threatened species: the authority for citizens or groups to petition FWS to list a species; mandatory deadlines for FWS once a petition is filed; and the right for citizens to sue FWS for failure to meet these deadlines.

The proposed rider would effectively eliminate citizen oversight and enforcement of the listing process by waiving the ESA's statutory listing deadlines and prevent court orders directing FWS to expend any money to comply with a missed listing deadline. Instead, FWS would only be obligated to list: (1) those species covered by court orders and settlement agreements in place when the Interior appropriations bill is enacted later this year—which may have the perverse result of creating an immediate rush to the courthouse, precisely the result FWS claims it is trying to avoid; and (2) other species solely at the discretion of Administration.

This rider could have a devastating impact on many critically-imperiled species. For example, but for citizen listing petitions and enforcement, species like the Canada lynx, Atlantic salmon and cactus ferruginous pygmy-owl would likely not be currently protected under the ESA. Indeed, it is not an overstatement to say that most species in recent years have been listed as the result of listing petitions and citizen enforcement. This is certainly the case for controversial listings like Canada lynx and Atlantic salmon. For example, an analysis by the Center for Biological Diversity determined that over the last 9 years, 92 percent of all ESA listings in California—where about 22 percent of all listed species exist—were the result of either a listing petition or citizen lawsuit, and most often both.

The real solution is more money. The ESA is one of our nation's most important environmental laws, standing as a bulwark against the loss of our rich and unparalleled biological heritage. Despite its critical role, it has never been funded at the level needed to carry out its purposes. The President's $111.8 M request for the four main FWS ESA accounts (Candidate Conservation, Listing, Consultation, and Recovery) and $54.7 M for the Cooperative Endangered Species Fund falls far short and cuts more than 25 percent from the total fiscal year 2001 funding level.

Our highest priority for ESA funding is listing. The listing program is in crisis at this point due to lack of funds: more than 300 species await listing and another 249 await critical habitat designation. The Fish and Wildlife Service (FWS) has announced that at current funding levels it can no longer list any species except those under court order, settlement agreements or as emergencies, but emergencies already exist—the situation for many of these species is so dire that some may go extinct while awaiting ESA protection. These include species such as the beautiful cerulean warbler, a migratory songbird whose U.S. population has declined by 70 percent and the Mississippi gopher frog, once abundant in southern bayous, now found in only one Mississippi pond threatened by a proposed housing development 200 meters away. The Administration's proposed increase of $1.9 M for listing is welcome but not nearly enough to meet the need; FWS estimates that $80–120 M is needed to address the backlog of listing activities. We urge a yearly appropriation of $16–24 M for listing over the next five years.

Increases are also needed for the recovery program.—The Administration proposes a $6.3 M cut for recovery. But this program was already woefully underfunded at its current level of $59.8 M. Many species listed are not receiving needed recovery efforts, and could go extinct while theoretically protected under the Act. The long list of species includes the Rio Grande silvery minnow, Attwater's greater prairie chicken, the Little Mariana fruit bat, and Moloka'i thrush. Miller et al. in the "Endangered Species Act: Dollars and Sense?" (Bioscience, in press) found that $650 M per year is needed for effective recovery activities. We urge the Subcommittee to start phasing in these needed increments by adding $120 M to the recovery budget each year for the next five years, beginning in fiscal year 2002.

LAND, CONSERVATION, INFRASTRUCTURE IMPROVEMENT FUND (LCPII)

The establishment of the landmark LCPII fund in last year's Interior appropriations conference report was one of the great bipartisan achievements of the 106th Congress and was strongly supported by Defenders and numerous other environmental groups. We applaud the subcommittee for this historic accomplishment. The President's request reneges on this momentous deal by requesting $94 M less than the $1.32 B fiscal year 2002 level dedicated for programs covered under the Interior appropriations bill and by playing a shell game—siphoning funding from other important state grant programs included under LCPII, such as FWS State Wildlife grants and the Cooperative Endangered Species Fund, to make up the total of $450 M for the state portion of the Land and Water Conservation Fund (LWCF). Further, the President proposes statutory language to authorize "flexibility" for state LWCF funds to be used for these very same programs, but with no guarantee of a specific funding level for any of these critical needs. Moreover, the budget diverts $60 M from federal LWCF for two new grant programs that provide incentives to private landowners for habitat conservation, programs we support in concept, but not at the expense of federal LWCF or other important conservation programs. Statutory language is proposed to authorize this change as well. In fact the only amount guaranteed for traditional LWCF under the request is $390 M for the federal program. We adamantly oppose this violation of last year's deal and strongly urge the subcommittee to reject the statutory language, fully endow the fund at the fiscal year 2002 $1.32 B level, and allocate the available funding among covered programs in the same balanced distribution as last year with no less than $450 M directed to federal LWCF.

Of particular importance to Defenders is the new FWS State Wildlife grants program established in last year's deal to provide critically needed funding to states to protect species of greatest conservation need. This funding is desperately needed to help states conserve and restore declining native species before listing under the ESA is required. Currently, the Nature Conservancy and its partners in the state-based Natural Heritage programs have identified more than 6,900 U.S. species as either critically imperiled, imperiled, or vulnerable, representing 1 in 3 of our native vertebrate, flowering plant and selected invertebrate species. Until now, little funding has been available to help address this crucial and growing need to stem further listings under the ESA by conserving habitat now. FWS moved quickly in developing guidance to get this program off the ground; moreover, as was directed in the

fiscal year 2001 conference report, language in the FWS guidance (50 Fed. Reg. p. 7657 "Jan. 24, 2001") supports use of funds for the creation of statewide map-based conservation strategies that can save millions of dollars in litigation and conflicts over the environment. Unfortunately, FWS has since put the program on hold. Defenders is working directly with numerous states that are very eager to apply for the funding, but are concerned that the money may never materialize. We ask the subcommittee's help in assuring that FWS moves forward with this important program for fiscal year 2001. Further, as this is one of the programs the budget request would zero out, we urge the subcommittee to reject this proposal and instead provide $120 M for the fiscal year 2002 state wildlife program, $20 M more from the increase slated to come into LCPII than was provided in fiscal year 2001.

NATIONAL WILDLIFE REFUGE SYSTEM (NWRS) OPERATIONS AND MAINTENANCE

The 94 million acre NWRS is the only federal public lands system dedicated primarily to the conservation of fish and wildlife; it is crucial to protection of migratory birds, endangered species, and other wildlife. The Refuge System will pass its most significant milestone yet when it celebrates its 100th anniversary in 2003. Yet despite its importance to the conservation of wildlife and wildlife habitat, chronic and severe funding shortfalls for operations and maintenance (O&M) have threatened the Refuge System's ability to achieve its mission for years.

Since 1998, Congress has begun to respond to the problem by providing important increases; unfortunately, due to the magnitude and duration of the O&M funding deficit, continued increases will be needed to address the $1.1 B in documented operations needs—which includes a need for more than 1,350 new staff positions—and the more than $800 M maintenance backlog. These funding needs are consistent with provisions to improve management and stewardship of the Refuge System included in the National Wildlife Refuge System Improvement Act of 1997 and the National Wildlife Refuge System Centennial Act of 2000. Since 1995, Defenders has been a leader in the Cooperative Alliance for Refuge Enhancement (CARE), a unique coalition of 20 environmental, hunting, fishing and recreation groups that has developed a plan to increase Refuge funding substantially by its anniversary. While we appreciate the $14.9 M increase for refuges in the President's budget request, we are extremely concerned that most would be directed at maintenance needs. Since 1997, funding for maintenance has seen a five-fold increase; but operations funding has increased by only one-half of its 1997 level. CARE recommends a total $150 M increase for Refuge O&M for fiscal year 2002. The most critical part of this increase is $119.8 M for operations activities such as surveys, inventory and monitoring; habitat restoration; and development of Comprehensive Conservation Plans.

U.S. GEOLOGICAL SURVEY (USGS)/BIOLOGICAL RESOURCES DIVISION (BRD)

Scientists at USGS provide critical information about fish, wildlife and plants and their habitats, and they detect trends in our environment over time. This research is vital to detecting and responding to environmental problems, yet the President's budget request proposes a 7.7 percent cut to the budget of USGS, the inter-disciplinary science arm of the Department of the Interior. We strongly oppose these cuts. We are particularly concerned about cuts to the Water Resources Investigations ($44 M) and Biological Resources Divisions ($11.3 M). Cuts to Water Resources would eviscerate critical programs, such as National Water Quality Assessment and Toxic Substances Hydrology, that provide information on the health of our water resources and impacts of dangerous contaminants to ground and surface water. Cuts to BRD will cripple its ability to do badly needed research for the land management agencies. These cuts also eliminate the National Biological Information Infrastructure, a program designed to allow researchers to find existing ecological information easily through a centralized internet-based system. Additional cuts will further damage BRD's ability to deliver information to land management agencies. Finally, the cuts will freeze progress for the Gap Analysis Program, a collaborative effort involving states and more than 500 business, non-profit, state, local, and Federal agency organizations, which has mapped the biological resources of 79 percent of the states in the U.S. The fiscal year 2002 request for BRD is $149.2 M, $11.3 M below the fiscal year 2001 level and about $60 M below even the fiscal year 1994 inflation adjusted level of $220 M. We urge at least $170 M for BRD for fiscal year 2002, a $10 M increase over fiscal year 2001.

BUREAU OF LAND MANAGEMENT (BLM): NATIONAL MONUMENTS AND ENERGY DEVELOPMENT

Defenders of Wildlife strongly supports the recent national monument designations. These new monuments encompass unique and fragile ecosystems, an extraordinary array of archaeological and historical resources, and wild and scenic landscapes. The monuments also provide important habitat for numerous threatened and endangered species. A high priority for Defenders is implementation of the Sonoran Desert National Monument and the Ironwood Forest National Monument, both of which are located in Arizona and are to be administered by the BLM. Critical implementation measures for the new monuments will include, among other things: a planning process, increased on-the-ground management, and improved law enforcement. The historical, cultural, biological, and scientific qualities of these areas warrant their protection as national monuments, including the specific management provisions under which new mining, mineral leasing, and certain grazing activities will be prohibited. The budget must allocate sufficient resources through the National Landscape Conservation System for BLM to properly administer these important national treasures. Rather than the $9 M requested by the President's budget, $50 M is needed for fiscal year 2002.

While the President's budget decreases funding for important conservation programs, it would increase funds by about $30 M for energy and mineral development in the Gulf of Mexico and on our public lands, including planning for energy development in the pristine Arctic National Wildlife Refuge. We oppose these increases and urge the subcommittee to direct these funds instead to the NLCS.

SPECIFIC PROJECTS

Defenders wishes to highlight three specific funding needs for efforts that contribute to endangered species protection.

First, a broad group of interests, including environmental groups, sea otter researchers, agencies, fisheries group representatives, legislative staff, aquarium staff, and public stakeholders has determined that $1.675 million in research is needed each of the next five years to support recovery of the threatened sea otter whose population has suffered declines in 4 out of the last 5 years. Funding should be earmarked either to FWS or USGS BRD.

Second, $850,000 is needed through FWS Section 7 Consultation to continue with the crucial third year of development of the Sonoran Desert Conservation Plan, a model land-use plan for communities around the country. The SDCP is the largest habitat conservation planning process now underway, and is incorporating an unprecedented number of elements related to land use planning, including cultural conservation, ranch conservation and riparian area restoration. The budget request eliminates this funding.

Third, endangered species protection is becoming more of a priority on tribal lands. To address this need, we request the following: $1.625 M for FWS Tribal Technical Assistance office in Region 6; $1.035 M for the newly created InterTribal Prairie Restoration Council, a coalition of tribes from the Northern Plains states focusing on prairie wildlife issues through Bureau of Indian Affairs (BIA); $290,000 for the Montana/Wyoming Tribal Fish and Wildlife Commission to better coordinate conservation activities among the tribes; and $493,000 for BIA for tribal wildlife projects in the northern Rockies.

PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

Mr. Chairman, I, Olney Patt, Jr., Chairman of the Confederated Tribes of the Warm Springs Reservation of Oregon, hereby submit the following fiscal year 2002 appropriations requests for the Bureau of Indian Affairs and the Indian Health Service:

(1) Designate a portion of BIA School Construction funding to assist reservation-based public schools serving Indian students, and earmark $10 million of such funds for construction of a new elementary school at Warm Springs.

(2) Maintain the BIA Law Enforcement initiative, provide half its funding for tribally-hired personnel, designate $1 million within Law Enforcement for Warm Springs, and add funds for design and construction of a new detention facility at Warm Springs.

(3) Add $2 million for Warm Springs Forest Management in BIA TPA funding.

(4) Add $500,000 for Warm Springs in BIA funding for Water Management, Planning and Pre-Development.

(5) Add $1 million in BIA FERC Relicensing funding for the costs of Warm Springs Tribal participation in the Pelton Hydroelectric Project's relicensing.

(6) Increase BIA and IHS Contract Support funding to provide 100 percent coverage of tribal Self-Determination Act contracting and compacting.

(7) Increase IHS Hospitals and Clinics funding by $1.75 million to provide full direct services for Warm Springs pursuant to the Joint Venture Agreement between the Tribe, the I.H.S. and the Congress.

Please understand that these requests may lack detail, because of the delayed development and presentation of the detailed fiscal year 2002 Administration budget request.

We also wish to inform the Subcommittee of the revenue shortfalls and resulting fiscal challenges we are facing in the foreseeable future. To meet those challenges, we are "down-sizing" our Tribal government, resulting in the loss of programs, local services and jobs. Further, low lumber markets have caused our Tribally-owned and operated mill to reduce operations to 1 shift and permanently lay off 60 employees. These reductions have been particularly painful in our community where employment alternatives are scarce, so we are hopeful that, in these times of federal budget surplus, you can respond positively to our requests. Request details follow.

(1) Designate a portion of BIA School Construction funding to assist reservation-based public schools serving Indian students, and earmark $10 million of such fund for construction of a new elementary school at Warm Springs

We note in the fiscal year 2002 budget "Blue Print" that substantial funding—perhaps as much as $1 billion—will be provided in the Bureau of Indian Affairs budget to improve BIA schools. We ask that some component of those funds be dedicated to assisting the construction of public schools serving Native American children. About one third of the entire BIA budget is dedicated to the education of only 10 percent of Native American children in the BIA schools. Only a pittance of the BIA's budget goes to the great majority of Native American children in public schools, despite the Bureau's trust and treaty obligations to the children of all Indian tribes. And of that very modest funding, none is available to assist with construction. We ask that this be corrected and full BIA funding be provided for the new K–5 school at Warm Springs.

Since 1961, the Warm Springs Tribe and the local public school district have contributed the lion's share of the economic support necessary to educate Warm Springs youth, and the BIA was allowed to reallocate the funds previously earmarked to educate our youth elsewhere. The construction of a new elementary school has been a high priority for our Tribe for many years. Despite that, the Madras Public School District, which operates the current outdated and undersized elementary facility at Warm Springs, has declined to seek funding for a needed new facility on the reservation through their scheduled bond offering in 2001.

Accordingly, the BIA must now honor its obligations to our Tribe, and so we now ask the Subcommittee to take the actions necessary to provide funding from the BIA School Construction budget to build a new 25,000 square foot, 600 student K–5 elementary facility at Warm Springs. We request that the needed $10 million be earmarked, and if that is not possible, we request $5 million for partial funding to seek a collaborative effort with the District.

We recognize that public schools serving Native American children otherwise receive assistance through federal Impact Aid funding. We point out those funds go to the public school district, not the tribe, and that in recent years the program has not provided any realistically useful funding for construction. While the Education fiscal year 2002 Blue Print shows $61 million for Impact Aid construction, that amount falls woefully short of even beginning to address the need.

(2) Maintain the BIA Law Enforcement initiative, provide half its funding for tribally-hired personnel, designate $1 million within Law Enforcement for Warm Springs, and add funds for design and construction of a legally compliant detention facility at Warm Springs

Several years ago, rising crime threatened to completely overwhelm the capabilities of the Warm Springs Tribal Police, which, relying principally on Tribal funding, could only afford two personnel on patrol at any one time to cover our 1,000 sq. mile Reservation. More recently, however, the tribal COPS program in the Justice Department has enabled us to hire several more officers, and to strengthen our patrol and enforcement presence. Unfortunately, COPS funds are only for a limited time. Accordingly, we ask that BIA law enforcement initiative funding be at least maintained, and that one-half of those funds be expressly made available to support tribally operated police departments. Most of the Bureau's funds go to reservations where the Bureau itself operates the law enforcement program. On reservations

such as Warm Springs where the BIA has essentially forsaken its law enforcement role, tribes must have the authority to seek renewed Bureau participation in law enforcement responsibilities, particularly by supporting patrol personnel, and especially those whose COPS support is withdrawn. We request an additional $1,000,000 in BIA law enforcement funds be designated for Warm Springs, prioritized for patrol services, investigations, detention, and rehabilitation programs and services.

Further, we request that funds be added and earmarked through BIA to design, construct, equip and operate a new legally compliant detention facility at Warm Springs for adults and juveniles. We currently operate a BIA-owned detention facility for adults and juveniles that is grossly deficient, most notably in overcrowding and sight and sound separation of juveniles and adults. In addition, resources for juveniles—whether at-risk, status offenders, those requiring supervision, counseling, detention, or incarceration—are scarce or altogether lacking.

We note that our need for a new juvenile facility at Warm Springs could be met, in part and in cooperation among other regional tribes, with a regional juvenile justice facility.

We also support full funding for the Indian Tribal Justice Act and a $15 million increase for Tribal Courts in TPA. Insufficient tribal courts hamper not only law enforcement, but the overall economic and societal development of our communities.

(3) Add $2 million for Warm Springs Forest Management in BIA TPA funding

We request the addition of $2 million to the BIA Tribal Priority Allocation budget for the BIA Forestry program at Warm Springs. For many years, the BIA and the Warm Springs Tribe have worked together to develop and fund a strong combined Forestry program. Tribal funding, often at more than $2.5 million a year, has funded positions and activities relied upon by the Bureau to fulfill its trust asset management obligations. However, the Tribe's current financial outlook will not allow us to continue funding Forestry at the same level. Reduced Tribal revenues require sharp reductions in many Tribal programs, including our contribution to Forestry. That means the BIA must now fund the trust activities previously paid for by the Tribe. And at the same time, the forest management requirements the BIA must meet have been increasing, including increased environmental certification and the withdrawal of land for alternative uses. Further, in recent years, the Tribes have successfully argued a federal claim against the BIA for its failure to adequately fulfill its trust responsibility for the management of Tribal timber. To meet these modern mandates, to replace no longer affordable Tribal subsidies and to properly fund its trust responsibilities for timber management, we estimate BIA Forestry at Warm Springs needs $2 million more a year on a continuing basis. Bill language directing that addition to the Warm Springs Forestry program in the Bureau's Tribal Priority Allocation budget would be the surest, most straightforward way of securing this necessary adjustment.

(4) Add $500,000 for Warm Springs in BIA Water Management, Planning and Pre-Development

We request that $500,000 be added for the Warm Springs Tribes to the BIA Non-Recurring Programs budget for Water Management, Planning, and Pre-Development to enable us to realize the benefits from our 1997 water settlement with the United States and the State of Oregon. Our water settlement, the first accomplished between the United States and a tribe in 8 years, left most of the Tribe's water in the Metolius and Deschutes Rivers. The expensive water project development legislation that normally accompanies tribal water settlements was not needed in our case. But the Warm Springs Tribe, now that our water rights are quantified and settled, needs financial support to plan for and manage this vital resource. The $500,000 would cover work on a Comprehensive Water Development Plan, studies relating to Pelton relicensing, water quality modeling for the Deschutes River Basin, and studies relating to siting and operating a combined cycle gas electric generator on the Reservation using Deschutes River water.

(5) Add $1 million in BIA FERC Relicensing funding for Warm Springs Tribal participation in the Pelton Hydroelectric Project's relicensing

About one third of the Pelton Hydroelectric Project occupies Warm Springs trust land, and the Tribe has rights and interests in the water used by the Project. A new Federal Energy Regulatory Commission license will be necessary for the Project starting January 1, 2002. Warm Springs is participating in the relicensing both as a government with affected regulatory powers and, because the Tribe is acquiring a portion of the Project from Portland General Electric, as a licensee. These are enormously expensive undertakings, and while the BIA, as trustee, has secured funding for Bureau participation in Pelton's relicensing, it has not provided any assistance for the Tribe itself. To help us fulfill these responsibilities, we ask that $1

million be provided for Warm Springs in the Bureau's FERC project licensing budget, half of which would be applied to the Tribe's Natural Resources Department for its regulatory role, and one half to help defray the Tribe's costs in seeking the license.

(6) Increase BIA and IHS Contract Support funding to provide 100 percent coverage of tribal Self-Determination Act contracting and compacting

Public Law 93–638 contract and compact indirect contract support is negotiated with the Inspector General and represents the full agreed upon amount for such costs. Unfortunately, the actual funding levels requested by BIA and IHS for contract support regularly fall short of the amounts needed to meet the agreed upon indirect costs. Because indirect costs are generally unavoidable, the shortfall in contract support must be made up by deductions from the directly contracted or compacted program dollars. The result is tribes having to pay a substantial penalty—in the form of reduced funding and diminished services—for assuming the responsibility of administering BIA and IHS programs for the tribes' own benefit. To eliminate this penalty and enable tribes to administer services on a par with those provided by the BIA and IHS, we ask that you support full funding for the BIA and IHS's contract support obligations.

(7) Increase IHS Hospitals and Clinics funding by $1.75 million to provide full direct services for Warm Springs pursuant to our Joint Venture Agreement with I.H.S.

In 1987, our Tribe developed and proposed to the IHS the idea of a Joint Venture, whereby the Tribe would build a new facility to IHS specifications and then turn it over at basically no cost to the IHS. In exchange, the IHS would fully staff, equip, and maintain the clinic as if it were its own new facility. The Joint Venture was authorized in the 1991 Interior Appropriations Act. The Tribe spent $5 million to build the new clinic, which the IHS staffed in August, 1993, at the designated level for such a new facility. Since that time however, IHS staff funding for the Warm Springs clinic has not been sufficient to maintain all the positions initially placed there. I.H.S. estimates now show Warm Springs is now funded at only 80 percent of need. To partially make up the difference, the clinic has been drawing ever-increasing amounts from third party collections. Those funds have always been intended for new equipment, staff training, and eventual facility expansion. With those funds diverted to maintain existing staff, the clinic is unable to address those needs, and the quality of clinic's health care is eroding. The alternative is to lay off staff. While we have kept our obligation under the Joint Venture, the I.H.S. must be directed to keep its side of the agreement, and $1.75 million for Warm Springs must be added to IHS Hospitals and Clinics to restore our funding.

Additionally, all I.H.S. mandatory costs, including medical inflation, mandatory payroll increases and population growth (including new tribes) must be funded. Warm Springs and other Pacific Northwest tribal health programs must purchase all inpatient and specialty care from private, professional medical providers, whose cost increases must be met within Contract Health Services budget just to maintain the program's service level.

This concludes the Warm Springs testimony. If you have any questions, please call our Secretary-Treasurer Charles V. Jackson or me at 541–553–1161. Thank you.

PREPARED STATEMENT OF THE INTERTRIBAL TIMBER COUNCIL

SUMMARY

Mr. Chairman, I am Fred Matt, President of the Intertribal Timber Council. I hereby submit this testimony with the following requests for Bureau of Indian Affairs, U.S. Forest Service, and Bureau of Land Management fiscal year 2002 appropriations:

(1) Add $250,000 to BIA Central Office Natural Resources General to conclude the second national Indian forest assessment.

(2) Add $1 million to the U.S. Forest Service to initiate the recommendations of the USFS Tribal Relations Task Force Report.

(3) Add $8.7 million to address BIA Forestry deficiencies:

(A) +$2 million for BIA Forestry staff and management,

(B) +$3 million for a new BIA IRMP line item,

(C) +$1.7 million to TPA Forestry for acreage increases, and

(D) +$2 million to Forest Development in Non-Recurring Forestry.

(4) Designate $10 million in Office of the Special Trustee for Cadastral Survey location of trust land boundaries.

(5) Within BLM, maintain wildland fire funding at the increased levels initiated in fiscal year 2001.

INTERTRIBAL TIMBER COUNCIL BACKGROUND

The Intertribal Timber Council (ITC) is a twenty five year old organization of seventy forest owning tribes and Alaska Native organizations that collectively possess more than 90 percent of the 7.6 million timberland acres and a significant portion of the 9.5 million woodland acres that are under B.I.A. trust management. These lands are vitally important to their tribes. They provide habitat, cultural and spiritual sites, recreation and subsistence uses, and through commercial forestry, income for the tribes and jobs for their members. In Alaska, the forests of Native corporations and thousands of individual allotments are equally important to their owners. To all our membership, our forests and woodlands are essential to our physical, cultural, and economic well-being, and assuring their proper management is our foremost concern.

(1) Add $250,000 to BIA Central Office Natural Resources General to conclude the second national report of the Indian Forest Management Assessment Team

The National Indian Forest Resources Management Act (Public Law 101–630, Title III) requires that an independent assessment of Indian trust forests and forest management be conducted every ten years. The first assessment (completed by the group of nationally-recognized experts that comprised the Independent Forest Management Assessment Team, IFMAT) was delivered to tribes, the Administration, and Congress in November of 1993. This report, funded with $300,000 from Congress in each of fiscal years 1992 and 1993 and an ANA grant, found that Indian forest management was grossly underfunded and that tribes were not receiving the full benefit from their forests due to serious deficiencies in management and planning.

Last year, the ITC attempted to secure $1.5 million in funding from the Administration and Congress over a two year period to complete the second assessment, but unfortunately our efforts were not successful. That is disappointing. At a time when Congress is having to spend tens of millions of dollars to try to address lax management of trust funds, it seems shortsighted to decline a statutorily required evaluation of the corpus of the timber trust, which is the underlying renewable source of much tribal and Indian trust money.

During the past year, the ITC has now secured the assistance of two foundations interested in management of Indian forests and obtained a commitment from the BIA to initiate the second assessment. Now, we believe that the assessment can be completed if Congress appropriates $250,000 for this purpose to BIA Forestry.

We strongly urge Congress to add the $250,000. As we explained in our testimony last year, this is a vitally necessary, statutorily mandated responsibility of the federal government. Congress substantially assisted with the first IFMAT, and with that report's benchmark established, the second report is particularly important. The ITC has done all that it can to advance the second report through unique partnerships, and now we ask Congress to provide the funding required to complete the assessment of the BIA's trust management of Indian forests as required by Public Law 101–630.

(2) Add $1 million to the U.S. Forest Service to initiate the recommendations of the USFS Tribal Relations Task Force Report

Mr. Chairman, Indian tribes have been longtime neighbors with the U.S. Forest Service. But despite that long history, despite our very extensive common boarders, our similar and shared landscapes and resources, and our trust and treaty rights on Forest Service lands, we have remained too often distant. There is a need to improve cross-boundary cooperation, consultation, and equitable tribal participation in the Service's public programs.

We were very pleased when the Chief of the Forest Service established a national Tribal Relations Task Force in October, 1999 to begin to address these concerns. The Task Force, with tribal participation, has completed its report, which is available on line and now being printed. Today, a Forest Service Implementation Team is moving forward to effectuate the recommendations of the Task Force.

The true test of how these efforts are eventually realized in the field still remains an open question. We are off to a good, encouraging start, but there are many institutionalized barriers on both sides which must be breached. As a first step, we ask that the Subcommittee add $1 million at an appropriate location in the Service's budget to foster the Implementation Team's efforts so as to improve tribal consultation and coordination with the Service. By enabling the tribes to work cooperatively with the Service, the Task Force's broader recommendations have an improved

chance of taking root, along with the prospects of better overall relations and improved resource management across the forest landscape.

(3) Add $8.7 million to address BIA Forestry deficiencies

Over the past two years, the ITC has repeatedly urged necessary funding increases to correct growing deficiencies in the BIA Forestry program. Below are summaries of our four principal recommendations. Please refer to ITC fiscal year 2000 and 2001 testimony to the Subcommittee for details.

(A) +$2 million for BIA Forestry management staffing

The BIA's forest management planning capability is weak and not improving. Only about one quarter of the BIA's 17.1 million forest acres (both forestland and woodland) have current management plans. Only 59 percent of commercial forestland has current plans. Reasons for this include insufficient Forestry staff in Regional Offices, where much management planning is done for tribes with smaller forests, the understaffed Branch of Forest Resources Planning responsible for the forest inventory analyses, and insufficient Forest Management Inventory and Planning funds for the special projects involved in plan renewals. Finally, more planning is needed for Woodlands, where intensive but unplanned use is degrading the resource. Because of the failure of the BIA to fulfill its trust responsibility to provide approved forest management plans, current BIA policy would prevent tribes from managing their forests to benefit their communities. Accordingly, the I.T.C. requests that—

—$350,000 be added to Regional Office Forestry for four additional professional foresters,

—$150,000 be added to Central Office Natural Resources General for two additional professional personnel for the Branch of Forest Resources Planning,

—$1 million be added to Forest Management Inventory and Planning, and

—$500,000 be added to Non-Recurring Forestry for Woodlands Management.

(B) +$3 million for an integrated resources management planning line item

In fiscal year 1999, the BIA added Integrated Resources Management Planning to the programs operated under Non-Recurring Forestry. But no funding has been added for this new "program," and BIA has only one professional staff member charged with the development of IRMPs. Faced with hundreds of resource dependent tribes, that person is doing all he can offering a few small grants and guidance and advice. Otherwise, the BIA has no IRMP program. There is no longer any question that IRMP is essential in this era of complex natural resources management. So, once again, the ITC requests that Congress appropriate a minimum of $3 million to establish a separate IRMP budget item under Non-Recurring Forestry.

(C) +$1.7 million to Tribal Priority Allocation Forestry for acreage increases

Since fiscal year 1992, Indian forestland under trust management has increased from 15.9 million acres to 17.1 million acres today, a 7.5 percent increase. T.P.A Forestry funding, including Self-Governance, has only increased from $26.8 million in fiscal year 1992 to $27.1 million for fiscal year 2001. To reflect the management costs of these increased acres at the Agency level, the ITC requests that fiscal year 2002 Forestry in TPA be increased to $28.8 million, a 7.5 percent increase from fiscal year 1992. This added funding should be distributed according to acreage increases.

(D) +2 million to Forest Development in Non-Recurring Forestry

This program received $10.3 million in fiscal year 1991. Today, although combined with other forestry programs in Non-Recurring Forestry, it is probably receiving slightly less than that amount. A $2 million increase is necessary to meet current forest development costs.

(4) Designate $10 million in the Office of the Special Trustee for Cadastral Survey to locate trust land boundaries

Property boundaries on most reservations and allotments must be established in accordance with modern standards. Since their establishment 80 to 150 years ago according to crude standards, many property corners have been lost or obliterated. Nation-wide, the failure to accurately establish ownership boundaries presents large potential for trespass and associated liability, and further hampers Bureau efforts to straighten out realty records and ensure that proceeds from trust resources are credited to their proper accounts. To begin addressing this problem, the ITC requests earmarking $10 million in the Office of the Special Trustee to begin systematically establishing or re-establishing corners and property lines for Indian trust properties, in accordance with recognized needs.

(5) Within BLM, maintain wildland fire funding at the increased levels initiated in fiscal year 2001

Mr. Chairman, the ITC strongly supports continuation of the National Wildland Fire initiative commenced in fiscal year 2001 and funded for all Interior agencies, including the BIA, through the Bureau of Land Management. The BIA Wildland Fire program has responsibility for more than 50 million trust acres, about one third of which is forest or woodland.

Managing fire within our reservation landscapes is especially important to tribes. Our reservations are our permanent homelands. Our reservations' renewable natural resources provide employment for thousands of our people, vitally needed revenues for tribal governmental operations, habitat, subsistence, recreation, and cultural and religious sites. If our reservations burn, moving away is not much of an option. Three hundred thirty tribal communities have an urban/wildland interface and face risk from wildland fire. Many of these communities are so small they do not have fire protection readily at hand, and so must particularly rely on treatment of the urban/wildland interface for their safety.

Indian Country has all of the issues and concerns that, on a national scale, drove fiscal year 2001's initiation of the strengthened wildland fire program. As noted above, there are 36,600 acres of urban/wildland interface, and the need to train and strengthen rural fire departments in Indian Country. There are 140,000 other acres in need of treatment, particularly for fuels. And there is a great need for preparedness. Close to one quarter of all fire fighting personnel in the United States are Native American, and the great majority of these crews are funded through the BIA fire program. Sufficient preparedness funding will enable these critical personnel to be appropriately trained and equipped, and will address the low pay, intermittent employment, and lack of benefits that actively drive skilled personnel away from fire jobs.

Accordingly, we urge the Congress to support continuation of the long overdue national wildland fire initiative.

Please refer any requests for further information regarding this testimony to the I.T.C. office in Portland or our Washington, D.C. representative, Mark Phillips, at (202)546–1516.

Thank you.

PREPARED STATEMENT OF THE ENEWETAK/UJELANG LOCAL GOVERNMENT COUNCIL

Mr. Chairman and distinguished members of this Subcommittee: Thank you for providing this opportunity to the people of Enewetak to describe issues that relate to our ability to live on Enewetak Atoll. These issues are: Funding of the just compensation award issued by the Nuclear Claims Tribunal; continued and increased funding of the Enewetak Food and Agriculture Program; resettlement of the Enjebi people on their home island of Enjebi; monitoring of the Enewetak people for radiation exposure; continued monitoring of the environment to determine current radiation levels; monitoring of the Runit dome; and, improvement of the health care program.

We would first like to address the continuing challenges that life on Enewetak presents. These challenges are the result of the severe damage inflicted on our atoll by the U.S. Nuclear Testing Program. This committee has helped us meet some of these challenges by funding the Enewetak Food and Agriculture Program.

FUNDING OF THE ENEWETAK FOOD AND AGRICULTURE PROGRAM

This program is necessary because over one-half of our land remains contaminated by radiation. The remaining fifty percent of our land was turned into a desert-like wasteland in the course of the nuclear testing program. As a result of such activities, there is insufficient food and other resources on our atoll to support our people.

The United States Congress recognized our predicament and in Section 103(h) of the Compact of Free Association Act of 1985, Public Law 99–239, authorized funding for the Enewetak Food and Agriculture Program. Pursuant to such authorization, this committee has funded the program. Such funding provides imported food for our population and an agriculture rehabilitation program. Much progress has occurred over the past several years with regard to the agriculture rehabilitation effort. In addition, our people have become more and more involved with soil rehabilitation and the planting and maintenance of food bearing plants. In fact, the additional $410,000 for equipment and manpower provided by the Congress for fiscal year 1999 has created a momentum that we would like to maintain. Unfortunately, the funding level of $1.191 million in the Administration's fiscal year 2001 budget

would not have permitted the continuance of such momentum. The Enewetak people described this situation to the Congress and an additional sum of $200,000 for a total of $1.391 million was provided for fiscal year 2001. The Administration, in its fiscal year 2002 budget, has maintained the funding for the program at the $1.391 million level. That amount helps but the increasing population, much improved agriculture rehabilitation techniques, and transportation expenses have increased the costs to the program. These costs are the costs of the necessary food imports; transportation costs for food imports; transportation costs of equipment, material, supplies, and fuel for the agriculture rehabilitation program; and labor costs for the accelerated agriculture effort. To meet these increased costs, the program needs to be increased to the sum of $1.7 million in fiscal year 2002. The $1.7 million is broken down as follows: Food and cooking fuel costs, $550,000; agriculture costs (labor, equipment, material, supplies, fuel, operations and maintenance), $850,000; transportation costs (labor, fuel, operations and maintenance), $300,000. Included in the three foregoing categories is the cost of administration of the program. Due to the foregoing, we respectfully request that this committee increase the amount requested by the Administration for this program for fiscal year 2001 by the amount of $309,00, for a total of $1.7 million.

We would now like to describe the historic award of $386 million made to us by the Marshall Islands Nuclear Claims Tribunal for damages we suffered as a result of the U.S. Nuclear Testing Program. We will briefly describe this development and then describe the necessity of resettling the Enjebi island members of our community on their home island, radiation monitoring of our people and the environment, and the background of the food and agriculture program and its components.

THE JUST COMPENSATION AWARD ISSUED BY THE NUCLEAR CLAIMS TRIBUNAL

We suffered greatly as a result of use of our atoll for 43 nuclear explosions. We suffered spiritually, physically and emotionally due to our forced removal from Enewetak and relocation to the much smaller, resource poor and isolated atoll of Ujelang. We suffered famine, lack of health care, lack of education, and isolation during our 33 year exile on Ujelang. Upon our return to Enewetak, we suffered and continue to suffer the severe damage to our ancestral land. This severe damage has not only made the land unproductive for food production purposes, but has also deprived us of the natural resources required to live a customary and traditional life.

The suffering we endured and the damage to our atoll is too lengthy of a discussion for inclusion in this statement. However, evidence of such suffering and damage was presented to the Nuclear Claims Tribunal at a historic hearing which occurred in April of 1999. We presented evidence from radiation scientists, engineers, anthropologists, an atoll agriculture specialist, and members of our community. On the basis of such evidence, the Nuclear Claims Tribunal on April 13, 2000 awarded us the sum of $386 million for the loss of use of our land, for the cost to restore the land to a condition of full and unrestricted use, and for the hardships we endured during our 33 year exile to the small, resource-poor, remote and isolated atoll of Ujelang.

It is important to remember that in 1947, prior to our removal from Enewetak, the United States promised us that we would have all constitutional rights accruing to U.S. citizens, that we would be taken care of during our exile to Ujelang, and that we would not be exposed to any greater danger than the people of the United States. The constitutional rights to which we are entitled include the right to be justly compensated for the damages we suffered as a result of the U.S. nuclear testing program. In addition to the well documented promises to us, the U.S. in the Compact of Free Association (1) accepted responsibility for the just compensation owing for loss or damage resulting from its nuclear testing program and (2) agreed that the Marshall Islands Nuclear Claims Tribunal make a final determination of the amount that would satisfy the constitutional requirement of just compensation. The Nuclear Claims Tribunal, following well established U.S. constitutional, legal, and regulatory principles, determined that the just compensation to be provided to us was an amount of $386 million in addition to what has already been received or will be received under the Compact. The funding of this amount by the U.S. would satisfy its constitutional obligation to us. This funding would permit us to rid our land of radiological contamination, rehabilitate the soil, revegetate the land, resettle the Enjebi people on their home island, and provide the means by which we could establish a local economy in the fishing and tourism sectors. The foregoing would permit us to once again become self-reliant and self-sufficient. Until this funding materializes, we require continued and increased funding of the Enewetak Food and Agriculture Program.

RESETTLEMENT OF THE ENJEBI PEOPLE ON THEIR HOME ISLAND OF ENJEBI

The Enewetak people consist of two groups: The people of the southern part of the atoll, the Enewetak group; and, the people of the northern part of the atoll, the Enjebi group. The people of Enjebi have not been able to resettle their home island because it remains contaminated. As a result, the Enjebi people need to share the limited land and resources with the other Enewetak people on the islands of Enewetak, Medren and Japtan. As the populations grow, this is becoming an increasingly difficult situation. Yet Enjebi cannot be resettled in the near term because insufficient funding exists for the cleanup and resettlement. The situation at Enjebi is difficult since Enjebi island was ground zero for a number of tests. In addition, it underwent bulldozing, scrapping and soil removal during the 1977–1980 partial cleanup activities. In order to make the island habitable again, funding for radiological remediation, soil and plant rehabilitation, and housing and other infrastructure costs is required. The funding of the $386 million award would permit the necessary work and resettlement to occur.

RADIATION MONITORING OF THE PEOPLE, THE ENVIRONMENT, AND THE RUNIT DOME

Because of the residual radiation contamination at Enewetak Atoll, we and our environment need to be monitored. The DOE is working with us to initiate an appropriate whole body counting and plutonium detection regime. The DOE responsibilities under such a regime need to continue until Enewetak is radiologically remediated. In addition, the Runit Dome (Cactus Crater Containment Site) contains over 110,000 cubic yards of radioactive soil and debris including plutonium and other radioactive elements. This site needs to be monitored to assure the integrity of the structure and to assure that no health risks from the radioactive waste site are suffered by the Enewetak people.

IMPROVEMENT OF THE HEALTH CARE PROGRAM

As described in other portions of this statement, over half of the land at Enewetak remains contaminated. In addition, the sufferings of the people during their 33 year exile to Ujelang have arguably caused health problems that continue to manifest themselves in an aging population. These health problems are not adequately addressed by the current health care program. The program funds need to be increased and the funds need to be allocated in an equal amount to each of the four atolls. The increase would only solve part of the problem. The allocation of an equal amount to each of the four atolls would solve the other part of the problem by allowing each community to best determine how its health care funds be spent.

We would now like to describe the food and agriculture program and its components, and the efforts we have made to make this program as effective as possible.

ENEWETAK FOOD AND AGRICULTURE PROGRAM

The Enewetak Food and Agriculture Program enables us to live on Enewetak. It provides funding for imported food, continued agriculture rehabilitation, operation of a motor vessel which brings us the imported food, a nutrition education program, and an operation and maintenance component conducted out of a facility on Enewetak known as the field station.

1. *Efforts made to increase food production*.—The most significant aspects of the agriculture rehabilitation program are the infusion of nutrients into the soil and the planting of buffer plants along the island's shore to protect the interior plants from salt spray. The infusion of nutrients into the soil is accomplished by digging trenches and placing organic material in the trenches along with a compost mixture of copra cake and chicken manure. This activity is extremely labor intensive and required the importation of copra cake and chicken manure. Although the work is progressing, additional funding is required to provide greater manpower and the necessary equipment, materials and supplies.

2. *Importation of food*.—Imported food is required because of the poor soil condition of the land available to us and the radiation contamination of other lands. Imported food is now approximately $500,000 of the program budget and is expected to increase because of the increase in food costs and because of our growing population. These issues further illustrate the need to increase the program to $1.7 million.

3. *Nutrition education program*.—Since our people cannot rely on traditional foods we must import food, the nutritional value of which is unfamiliar to us. Several years ago we became aware that some of our people, particularly our children, suffered from malnutrition. Accordingly, we instituted a nutrition education program.

We are pleased to report that we have been apprised by physicians that malnutrition among our children has been greatly reduced.

4. *Vessel*.—In 1999, we purchased, repaired, and refitted a 104-foot motor-vessel as a replacement vessel for our 54-foot motor-sailer, which sank. This replacement vessel, named the KAWEWA, has greater capacity for cargo and passengers than the previous vessel. The KAWEWA permits us to transport machinery, equipment, supplies and other necessary cargo. It also provides transportation to members of our community. Both the transport of cargo and people have become extremely difficult in the Marshall Islands because of the lack of transport vessels and aircraft. The KAWEWA provides the necessary lifeline for goods, materials, and transportation for our community.

5. *Field Station*.—Operation and maintenance of the entire program is conducted out of a facility referred to as the Field Station. The machinery and equipment required by the agriculture, food and transportation components of the program are kept at the Field Station. Field Station personnel provide all the required agricultural work; maintain, service, and operate the equipment required by the various components of the program; make payments and maintain books of accounts; and coordinate the procurement of food, material and equipment. The overall manager of the program is Johnson Hernest. Other management personnel include Samson Yoshitaro and Mathan David. The program employs over 50 members of our community.

CONCLUSION

In closing, we thank the Congress for its past funding of the Enewetak Food and Agriculture Program and request that it provide funding for fiscal year 2002 in the amount of $1.7 million to address the increased costs incurred by the program. In addition, we look forward to discussing with the Congress the funding of the $386 million Nuclear Claims Tribunal award to finally complete the remediation, rehabilitation, resettlement of Enewetak and to provide us the just and full compensation to which we are entitled for the damages we sustained as a result of the United States Nuclear Testing Program.

PREPARED STATEMENT OF THE WESTON OBSERVATORY OF BOSTON COLLEGE

Mr. Chairman and members of the Subcommittee, I am a Professor of Geophysics at Boston College and the Director of Boston College's Weston Observatory, which specializes in the study of earthquakes and earthquake hazards in the northeastern United States. I thank you for this opportunity to submit testimony in support of the National Earthquake Hazard Reduction Program (NEHRP) and specifically of the Advanced National Seismic System (ANSS) that was recently initiated by Congress. One very strong research program at Boston College is the study earthquakes, earthquake hazards, and earthquake hazard mitigation, carried out by Weston Observatory. The Weston Observatory research program has led to new understandings of the earthquake activity as well as increasing mitigation efforts in the northeastern United States.

Last year, a special NEHRP authorization for the ANSS was passed by Congress and signed by the president to improve earthquake monitoring throughout the United States. in support of earthquake hazard mitigation efforts. For fiscal year 2002 funding for the ANSS was authorized at $33.5M. I strongly believe that the fiscal year 2002 ANSS authorization should be fully appropriated in addition to full funding for the rest of the fiscal year 2002 NEHRP efforts within the U.S. Geological Survey. This is necessary if we are to meet our goals of mitigating the losses in future earthquakes throughout the country. As the M6.7 Seattle earthquake demonstrated earlier this year, strong earthquakes can strike well populated and economically important parts of the country at any time. We only stand to increases our potential losses if we do not fully fund these important programs.

In this testimony, I describe how current earthquake monitoring has led to new understandings of the potential for earthquakes in the northeastern United States. I explain why the increased NEHRP spending for the ANSS program is vital for further earthquake hazard mitigation efforts. Finally, I point out some important ancillary benefits of increased NEHRP funding for the ANSS in the areas of environmental protection and oil exploration. Current levels of NEHRP funding for earthquake monitoring in the northeastern United States are insufficient to meet the modern demands of emergency managers, government officials, the insurance and financial industries, and building construction professionals for immediate, comprehensive earthquake information. The ANSS program within the NEHRP is de-

signed specifically to meet the needs of those important stakeholders in the northeastern United States and throughout the entire country.

EARTHQUAKE HAZARD AND RISK IN THE NORTHEASTERN UNITED STATES

It may be a surprise to some people, but earthquakes occur year-in and year-out throughout the northeastern United States. For example, since January 2000 there has been at least one felt earthquake centered in each of the six New England states as well as in New York and New Jersey. All of these earthquakes were small (magnitude less than 3.5) and none caused any damage. Nevertheless, they serve to remind the residents that earthquakes are a potential threat. While not the largest, probably the most significant seismic event during this period was the January 17, 2001 magnitude 2.4 earthquake centered under Manhattan Island in New York City. While not damaging, the earthquake was felt by many in Manhattan and Queens. Emergency service agencies were inundated with telephone calls from citizens. Media interest in this earthquake was very high, first as they tried to determine whether an earthquake or explosion had occurred and later when they wanted to get an exact location and magnitude. The Lamont Doherty Earth Observatory of Columbia University, which does earthquake monitoring for this part of the region, was deluged with telephone calls looking for information. Even Weston Observatory near Boston received phone calls looking for information about this earthquake.

Aside from the curiosity factor, this small New York City earthquake highlighted to many citizens and officials that earthquakes are a threat to New York City. The business and financial centers in the area were made aware that earthquakes can affect their headquarters and operations. Obviously, if a damaging earthquake were to affect the New York City area, the economic consequences would reverberate nationally and even internationally. My colleagues at Lamont-Doherty Earth Observatory are studying this earthquake and its one very small after shock to attempt to learn more about the possibilities of damaging earthquakes in the New York City area.

In a different study, a recent new analysis by Prof. Alan Kafka of Weston Observatory and myself has shed new light on the predictability of earthquakes in the New England region. Rather than focusing on a single earthquake, Kafka and I analyzed pattern of occurrences of small earthquakes in the region over the past 25 years. We discovered that the pattern of small earthquakes is more temporally clustered than would be expected from random earthquake activity. In layman's terms, this means that whenever there is a small, felt earthquake in New England, there is an increased chance of another felt earthquake somewhere in the New England region during the next week or so. We don't yet know why this is happening, but the implications are quite important. For example, it could be possible that strong, potentially damaging earthquakes in our region take place during times of increased numbers of small earthquakes. This would mean that continuous monitoring of the small earthquakes could give insight into times when strong earthquakes would be most prone to strike. This research is still in its early stages, but it does suggest that there may well be patterns in the occurrences of small earthquakes that may eventually make some level of earthquake forecasting possible.

The two studies reported here emphasize the importance of continuous, routine monitoring of the small earthquake activity in the northeastern United States. The small earthquakes help us better define the earthquake hazard and threat to the major cities of the region. Furthermore, patterns in the occurrences of the small earthquakes may someday give important clues about the imminence of strong earthquakes in our region. Continued funding of the NEHRP program and expansion of regional earthquake monitoring for small as well as large earthquakes through full funding of the ANSS initiative is needed to maintain and expand our ability understand and forecast the earthquake hazard in the northeastern United States.

ANSS AND EARTHQUAKE HAZARD MITIGATION IN THE NORTHEASTERN UNITED STATES.

I believe that we are at an important juncture in earthquake monitoring in the northeastern United States. On the one hand, those who are concerned with coping with earthquakes when they happen or with promoting and enforcing earthquake hazard mitigation measures are demanding ever more rapid and comprehensive information about earthquakes in the region. On the other hand, a slow erosion in federal funding for such activities over the past decade has severely limited the capabilities of local scientists to meet this growing demand. To make matters worse, funding limitations have significantly reduced the number of seismic experts actively working to monitor and study the earthquake activity in the northeast region,

making it ever more difficult to meet the demands of those in the public and private sectors who are sincerely interested in reducing the losses in future earthquakes.

Those who were engaged in the planning efforts for the ANSS several years ago recognized that the above problem exists not only in the northeastern United States but also throughout the country as a whole. The framework for the ANSS, outlined in U.S. Geological Survey Circular 1188, was designed not only to upgrade earthquake monitoring hardware throughout the country but also to provide the necessary manpower and infrastructure to maintain such a system. It was urged in Circular 1188 that earthquake monitoring be coordinated and administered on a regional basis with oversight by an advisory group of stakeholders in the region to ensure that the data and research results from regional earthquake monitoring would have the greatest impact in earthquake hazard mitigation measures.

In March 2001 I chaired (with Dr. Art Lerner-Lam of Lamont-Doherty Earth Observatory) a workshop to begin organizing the ANSS in the northeast region. Attendees at the workshop included representatives from various state emergency management agencies, state geological surveys, fire and police departments, university geoscience and engineering departments, the Army Corps of Engineers, FEMA, and the Small Business Administration. Several needs, not being met by current earthquake monitoring capabilities, were identified by the participants as important products and services of the ANSS in the northeast region. The first of these is the availability and dissemination of rapid and accurate information about an earthquake as soon as possible after it happens, ideally within minutes of the event. For example, officials from New York City indicated that for the January earthquake they needed to know immediately that the event was an earthquake and not a terrorist bombing or an underground explosion in a utility conduit or subway station. This information was critical for their response to the event. The current earthquake monitoring system in the region is incapable of providing such near real-time information, nor can it be made so at current funding levels. The workshop enthusiastically recommended that the ANSS system in the region be designed and built to provide accurate earthquake information within minutes of the occurrence of a seismic event.

Another necessary capability for the northeast ANSS system identified at the workshop is the rapid assessment of earthquake shaking maps and maps of potential damage immediate following an earthquake. The emergency management specialists at the workshop were especially vocal about this requirement. Such a capability cannot be done at present with the current earthquake monitoring equipment and funding. Finally, the workshop participants argued strongly for dedicated local expertise to study local earthquakes and to explain what happened after an earthquake has occurred. There are typically questions about aftershocks, active faults, and the potential for other earthquakes immediately following the occurrence of a felt or damaging earthquake. The news media and the public at large look to local experts for information, advice and interpretation. This need is one of the important elements in the implementation of the ANSS not only in the northeast but also throughout rest of the country as well.

The workshop participants strongly endorsed the need for the ANSS in the northeastern United States. Some expressed frustration with the current poor state of earthquake monitoring in the region, and many argued that a new system was necessary to meet their needs. All agreed that implementation of the ANSS would have a positive impact on earthquake hazard mitigation measures in the northeast.

ANSS AND EARTH SCIENCE EDUCATION

One important side benefit of the funding that NEHRP provides to universities is that some of that external funding goes to support the training of students in earthquake research. Some of these students graduate to work professionally in one capacity or another in the earthquake field, but many others use their geoscience training to go to other jobs. For example, at Boston College, many of our students have graduated to jobs in oil exploration, environmental cleanup and monitoring, engineering, teaching, and high technology applications. The work of these students to help with earthquake monitoring in New England helped support their education, with an obvious benefit to the earthquake monitoring program.

A few weeks ago I attended a conference, sponsored by the American Geological Institute, that discussed the training of students in geology and geophysics at the undergraduate and graduate levels. Representatives from the oil and engineering industries made presentations about their expected hiring of geoscientists in the next several years. Given the current energy crisis and the need for continued oil and gas exploration, the companies expressed concern that the number of university students majoring in the geosciences is currently declining, even as hiring is ex-

pected to increase in the future. In a few years the universities will not produce enough trained geoscientists to fill industry's needs. Increased funding to the universities for projects like NEHRP and the ANSS strongly encourages students to enter and train in the geosciences. Conversely, funding cutbacks in programs like these lead to reduced numbers of geoscience students in university programs. One benefit of full ANSS funding in fiscal year 2002 and beyond would be a larger future pool of trained geoscience students who could help fill the coming manpower shortfall in the oil and gas exploration industries.

In summary, continued funding for the NEHRP and full $33.5M funding of the fiscal year 2002 authorization for the ANSS is necessary for earthquake hazard mitigation in the northeastern United States. In particular, the full ANSS funding is needed for the northeastern region to meet the increasing demands of emergency planners, structural engineers, and natural hazard specialists for prompt and accurate information about earthquakes in the region. Furthermore, full funding for the ANSS will provide the important side benefit of encouraging students to study the geosciences, something that is necessary to fully meet the manpower needs in the oil and gas exploration industries in the coming years.

PREPARED STATEMENT OF THE YUROK TRIBE

Since time immemorial, the Yurok people have lived in the lower Klamath River basin and high country in northwestern California. The current Yurok Reservation was created by a 1853 federal statute, executive orders and a 1988 federal statute. In 1891 Prsident Harrison merged the Hoopa Valley Reservation and the Klamath River Reservation into one Reservation known as the Hoopa Valley Reservation. Both the Yurok people and the Hoopa people resided on this merged or communal Reservation. Neither tribe was formally organized. In the 1950's the Bureau of Indian Affairs effected the formal organization of the Hoopa Valley Tribe; the Yurok Tribe remained unorganized. The Hoopa Tribe entered into timber leases and began to receive timber revenues. Individual Yuroks and other Indians sued and won a series of cases known as the Short decisions (See e.g., *Jessie Short* v. *United States* 486 F.2d 561 (Cl.Ct 1973). These cases essentially held that neither tribe had more rights than the other in the Reservation and that the United States could not provide timber revenues to only one group. (Individual plaintiffs waited some 40 years before they received monetary damages.)

In 1988 the Hoopa-Yurok Settlement Act (HYSA) was enacted. The HYSA divided the former Reservation unequally. Although Yuroks made up over 70 percent of the communal Reservation, the Yurok Tribe received approximately 6000 tribal and individual trust acres in a 56,000 acre Yurok Reservation where the remaining lands are held in fee simple title by a major timber company. The Hoopa Tribe, in contrast, received 87,000 trust acres, most of which are commercial timber lands. Since the Yurok Tribe was not organized, did not have funding, and had no legal counsel, it did not participate in the HYSA process. Additionally, the United States did not survey communal Reservation residents to determine their desires before enacting the HYSA.

After the Yurok Tribe formally organized, it challenged the constitutionality of the HYSA. On March 28, 2001, the U.S. Supreme Court declined to review a sharply divided decision by the circuit court, upholding a determination that the courts of the United States would not explore the Yurok Tribe's claim of a fifth amendment taking without fair compensation. The Court would not reach these issues because it held that the 1851 Act did not technically vest permanent title in either tribe.

The Yurok Tribe, from its aboriginal territories, is now left with a small Reservation along forty five miles of a river system designated as a "wild and scenic river"; a system whose once abundant fisheries resource is in significant decline. The HYSA identified this fishery resource as the primary economic resource of the Tribe. This resource has declined 90 percent from its historic averages. Nonetheless, the Tribe has a federally recognized fishing right and a priority water right. These issues have been litigated to the U.S. Supreme Court level. The Tribe has as its goal fishery restoration through fish harvest management and a significant regulatory program.

The "Wild and Scenic" designation does not completely capture the Reservation's situation. The upper end of the Reservation is not electrified, has no telephone service and has minimal roads. All of these conditions combine to present serious emergency service, fire, law enforcement, medical delivery issues, as well as housing and education problems. 42 percent of the tribal population is unemployed and only 29 percent have a moderate income level or higher. 46 percent are at the poverty level.

A sufficient land base, real economic development and necessary infrastructure are basic tribal needs.

In spite of the inequity of the HYSA, since the Act the Yurok Tribe has, among other accomplishments, organized under its inherent sovereignty, adopted a tribal constitution recognized by the Department of the Interior; has become a self-governance tribe; has developed a significant biological staff, law enforcement staff and court for fisheries development and regulation; and has secured significant court victories recognizing its fishing and water rights. Its current membership is approximately 4,300 Yuroks.

Our requests for fiscal year 2002 are in order of priority:

1. *$4,600,000 (Add-on Self-Governance-Tribal Priority Allocation)*.—The Yurok received New Tribes Funding calculated on the BIA base roll developed under the HYSA. Yuroks objected to the HYSA criteria as too limited and secured a technical amendment that allowed a small number of Yurok children to be added to the Roll. The Yurok Constitution adopted different criteria and the base roll is now 4,300 persons in 2001, almost double the BIA base roll. It is a severe handicap to provide services based on an erroneous count. While BIA officials have been sympathetic, they have been unable to administratively correct this problem. It requires a specific add-on with instructions to transfer the funds to the Yurok Tribe's base as part of its B.I.A. self-governance funding agreement.

2. *$2,000,000 (Add-on Construction)*.—As noted, the lack of telephone services on the Reservation is a serious problem and requires significant resources because of the extremely rural and gorge characteristics of the Reservation. These requested funds would be used to extend modern telephone service to two public schools, two tribal government offices, and one hundred-eighty tribal households. The Tribe will use optical fiber and copper facilities as well as microwave radio links and modern electronics to extend services from off-Reservation providers to the schools, government offices, and households. A three year budget is required to complete this project. The annual funding requirements are:

First year—$2,000,000.
Second year—$2,500,000.
Third Year—$2,500,000.

3. *$2,500,000 (Add-on Miscellaneous Payments to Indians)*.—The HYSA authorizes not less than $5,000,000 for land purchases by the United states for the benefit of the tribe. The Committees have previously appropriated $2,500,000, which needs to be made available to the Tribe. As noted above, tribal land needs are significant. The trust land base within the Reservation is insufficient to provide for housing and economic development of the members. In order to facilitate land purchases, an addition add-on of $665,000 (Real Estate Services) is necessary to provide adequate resources to process real estate transactions, including NEPA compliance, preparation of FONSI, title reports, preparation of inter-agency coordination with county and local governments, surveys, probates, and maintaining records for trust responsibility purposes. Also under the Miscellaneous Payments to Indians account should be a restoration of the $300,000 previously provided to implement the HYSA; implementation is far from over.

4. *$1,500,000 (Add-on Tribal Priorities Allocation, Human Services/Housing Improvement Program)*.—As noted above, significant portions of the Reservation do not have electrical services. These funds are sought in order to correct fire and life safety deficiencies and provide safe electrical connections in approximately one hundred and eighty households on the upper Reservation. This will allow these households to connect to tribal solar, hydro, hybrid community serving alternative energy systems. In order to connect to community serving energy systems, each household must have internal wiring, electric meters and service panels that comply with the National Electric Code.

5. *$870,000 (Add-on to B.I.A.*—Wildlife and Parks, U.S. Fish and Wildlife (FW) Resource Management, and BOR—Native American Affairs Program and Trinity River Restoration).—One of the Tribe's highest priorities is to protect and preserve the resources of Klamath and Trinity Rivers, and in particular, to restore the anadromous fish runs to levels that would once again sustain the Yurok people. Long term this goal will require a system wide solution that reduces the demand for water, and restores the river system's habitat. This year we are seeking funds for some of the research and assessments required as necessary stepping stones. These include: $150,000 to conduct biological and habitat assessments within the Klamath River Estuary (BIA Wildlife & Parks add-on); $70,000 to monitor tribal fisheries for sensitive species ("threatened" Coho Salmon & "candidate" species Seelhead Salmon) FW; $100,000 for Klamath Basin Fall chinook salmon escapement estimation and age determination; and $300,000 for mainstem Klamath River biological monitoring to continue the Tribe's co-management, $100, 000 for water quality moni-

toring of the mainstem Klamath River, and $150,000 for data management needed for the Klamath River Flow Study.

PREPARED STATEMENT OF JOHN L. BURTON, PRESIDENT PRO TEMPORE, CALIFORNIA SENATE

Dear Chairman Burns and Committee Members: As you are determining funding priorities for the fiscal year 2002 Interior Appropriations Bill, I respectfully request that you include funding for acquisition from a willing seller of nearly 19,000 acres of restorable wetlands in the San Francisco Bay. If the acquisition can be completed, it will set the stage for the largest, most promising coastal wetland restoration project ever undertaken on the U.S. Pacific Coast. Without a substantial federal commitment to the acquisition this year, we will likely lose this opportunity forever.

San Francisco Bay is one of the great estuaries of the world, providing habitat to a rich complex of fish and wildlife including over twenty species currently threatened with extinction. Three quarters of all shorebirds and over half of all diving ducks that annually migrate along the great Pacific Flyway rest, feed, or breed at San Francisco Bay. The Bay also serves as the lifeblood for shipping, fishing, farming, recreation and commerce in the nation's fourth largest metropolitan region.

A century ago, the Bay Estuary contained almost 200,000 acres of tidal marshes and close to 100,000 acres of seasonal wetlands, creeks, and streams. Today, nearly 80 percent of the San Francisco Bay's original wetlands have been diked and filled for farming, grazing, salt extraction, building and other development. The Bay's wetlands are its kidneys, filtering toxic pollution and excess nutrient runoff that would otherwise destroy this fragile ecosystem. Restoring these lands will lead to the recovery of endangered fish and wildlife, improved water quality and increased flood protection.

Bay wetlands restoration planning began in 1993 when California governor Pete Wilson and the Administrator of the U.S. Environmental Protection Agency (EPA) signed a Comprehensive Conservation and Management Plan (CCMP) for the San Francisco Bay Estuary. The CCMP identified the protection and restoration of wetlands as one of the highest priorities for the San Francisco Bay estuary, and recommended that wetlands habitat goals be developed as part of a focused regional wetlands planning effort.

In 1995, over 100 scientists and resource managers from local, state, and federal agencies, private consulting firms, and universities convened to develop the wetlands goals called for in the CCMP. Development of the Baylands Ecosystem Habitat Goals Report (Goals Report) was co-sponsored by nine state and federal agencies, including the San Francisco Bay Conservation and Development Commission, San Francisco Bay Regional Water Quality Control Board, State Coastal Conservancy, State Department of Fish and Game, State Department of Water Resources, State Resources Agency, National Marine Fisheries Service, U.S. EPA, and the U.S. Fish and Wildlife Service. Following four years of intensive scientific review and extensive public comment, the Goals Report was published in early 1999. The document embodies the consensus of the scientific community regarding restoration of the San Francisco Bay Estuary's wetlands and associated habitats.

The Goals Report calls for the restoration of 100,000 acres of wetlands throughout the region over the course of many decades. The Goals Report identifies and sets restoration goals for 124 sites around the Bay. These goals emphasize restoring tidal marsh along the Bay edge and providing adequate buffer zones to protect restored habitats from disturbance.

Right now we have an historic opportunity to acquire and restore 18,800 acres of diked historic Bay wetlands owned by Cargill Salt at the edge of San Francisco Bay. Cargill is a willing seller, and Congress has already authorized this property for addition to the Don Edwards San Francisco Bay National Wildlife Refuge. These lands are a critical component of overall Bay restoration efforts. Restoration of the property will increase the Bay's existing tidal wetlands by nearly 50 percent, dramatically expanding the size and diversity of wildlife habitat along the Bay. Acquisition and restoration of the property has been identified by the U.S. Fish and Wildlife Service (USFWS) as crucial to the recovery of no less than four federally listed endangered species. The Goals Report specifically states that restoration of the southern section of the Bay ecosystem depends upon acquisition and restoration of the Cargill salt ponds. Restored wetlands on the property would also improve water quality and create public access to thousands of acres of open space in the heart of the nation's fourth largest metropolitan region.

As you may know, California and federal resource management agencies have been negotiating with Cargill for the sale of this property since 1998. Cargill cur-

rently is engaged in a formal appraisal process with the USFWS. The final appraisal should be completed later this month. Although the appraised value of the property is expected to exceed $300 million, based on the results of preliminary appraisals, the landowner has agreed to cap its asking price at $300 million. The funding is expected to come primarily from state and federal sources, with some private support as well. Last year, the State of California appropriated $25 million for the acquisition while the federal government appropriated $8 million. These contributions were positive first steps; however, more substantial commitments must be made soon since Cargill has indicated that it will seek other buyers if a deal cannot be finalized this year. Therefore, this appropriations cycle represents the best opportunity we have to make this unique acquisition.

I urge you to appropriate the funds necessary to meet the federal share for acquisition of these 18,800 acres so we can capitalize on this extraordinary opportunity to enhance and restore San Francisco Bay's wetland ecosystem. We look forward to continuing to partner with you on this unique and exciting wetland acquisition and restoration project.

Thank you for your consideration of this request, and for this opportunity to include written testimony in your Committee's official hearing record.

PREPARED STATEMENT OF THE GOLDEN GATE AUDUBON SOCIETY

Dear Chairman Burns and Committee Members: The Golden Gate Audubon Society strongly supports the request from Senator Dianne Feinstein to this Subcommittee for $75,000,000 for the acquisition of approximately 18,000 acres of salt ponds in San Francisco Bay. The purchase would be made from the Cargill Salt Company, a willing seller. No more important acquisition can be made for the improvement of an entire ecosystem than that of the Cargill Salt Ponds in San Francisco Bay.

San Francisco Bay has lost more than 85 percent of its historic tidal wetlands through diking and filling. As a result of this loss of tidal wetlands, San Francisco Bay now has an inordinately large number of tidal-wetland related species listed as Threatened or Endangered under the federal and state Endangered Species Acts.

The five-year long San Francisco Bay Estuary Program, a component of the National Estuary Program, concluded in its Comprehensive Conservation Management Plan that significant wetland restoration was essential for the health of San Francisco Bay and recommended the creation of a Regional Wetland Plan.

Such a plan has been developed by a multi-agency effort that resulted in the creation of the San Francisco Baylands Ecosystem Habitat Goals project. This project brought together over 100 scientists who looked at the 125 wetland-related species and from this perspective produced a wetlands restoration plan that would recover endangered and threatened species and provide sufficient wetlands for the long-term survival of all of those 125 species. Their conclusion was that the Bay needed to see significant wetland restoration take place if the aquatic ecosystem was to survive.

The restoration of approximately 18,000 acres of South San Francisco Bay salt ponds back to tidal marsh is a significant component of the San Francisco Baylands Ecosystem Habitat Goals.

San Francisco Bay has long been recognized as an estuary of global significance. It also is recognized as the nation's estuary most heavily impacted by man. Here is a chance, with a willing seller, to turn the tide and return to health this wonderfully important natural resource.

We urge you to support Senator Feinstein's request for funding for the acquisition of the Cargill Salt Ponds.

We thank you for your consideration of our views.

PREPARED STATEMENT OF THE ACID DRAINAGE TECHNOLOGY INITIATIVE METAL MINING SECTOR

Thank you for agreeing to consider this request for funding of the Acid Drainage Technology Initiative (ADTI) through the federal multi-agency mechanism. The Geological Survey (USGS) is being requested to provide annual funding of up to $200K, to match the standard set by the Office of Surface Mining (OSM). OSM funding is going primarily to the Coal Mining Sector of ADTI and a predictable base of funding is also needed for the Metal Mining Sector activities, in order to identify the best science for controlling acid and metal drainage from metal mines and related materials.

The ADTI is a nationwide technology development program with a guiding principle of building a consensus among Federal and State regulatory agencies, universities and consulting firms to predict and find remedies for acid drainage from active and inactive metal and coal mines. It is not a regulatory or policy development program. The Acid Drainage Technology Initiative Metal Mining Sector (ADTI–MMS) is an organization of volunteers committed to the development of the best science and technology-based solutions to mine water quality issues at metal mines. The Review Committee is responsible for developing and implementing the consensus review process for documents, editorial services, international networking and membership coordination. The consensus review process is developed by this Committee is available on the world wide web at: http://www.bucknam.com/chb/consensu.txt and several draft documents are also being reviewed on the ADTI–MMS web site at: http://www.mackay.unr.edu/adti.

As you may be aware, it has been estimated that correcting the mine drainage and abandoned mined land problems will cost up to $70 billion. As this figure suggests, it will be necessary to lead off on this effort with an adequate foundation of current technology-based solutions. Our organization is in the process of preparing and maintaining handbooks to provide that foundation and is prepared to launch the necessary research programs to develop the best science and technologies.

ADTI–MMS is backed through participation from members of numerous mining companies, environmental consulting firms, federal and state research, land management and regulatory agencies, academic researchers committed to the ADTI mission, and the Western Governors Association. The Western University Consortium, consisting of University of Nevada—Reno, New Mexico Institute of Mining and Technology, University of Idaho, University of Utah and University of Alaska, Fairbanks and other members of the ADTI–MMS University Network (Colorado School of Mines, Montana Tech at the University of Montana, South Dakota School of Mines and Technology, University of Colorado, Berkeley, Northern Arizona University, Montana State University-Bozeman, and the University of New Mexico) provide part of our research foundation under direction of the Mining Life Cycle Center at the University of Nevada, Reno. In addition, the US Army Corps of Engineers (USACE) Restoration of Abandoned Mined Sites (RAMS) program and the headquarter-based Research Programs are actively pursuing research coupled with on ground cleanups. Coordination with sister organizations in other countries, including Mine Environment Neutral Drainage (MEND)—Canada, Mitigation of Environmental Impact From Mining Waste (MiMi)—Sweden, (other), signifies our position in the international realm.

We are seeking funding for technical-professional review and illustrations for ADTI–MMS Workbooks on prediction, sampling and monitoring, modeling, mitigation and pit lakes. We feel that minimal funding (10 percent of ADTI–MMS annual budget) can provide needed training documentation for what proves to be an expensive multi-decade effort.

The NMA, the Interstate Mining Compact Commission and several Federal agencies [OSM, Bureau of Land Management (BLM), Department of Energy (DOE), and USGS] have actively participated in the Acid Drainage Technology Initiative (ADTI) since 1995. This collaborative effort receives funding and other support from industry and several Federal agencies for specific projects. For example, the Office of Surface Mining has provided the ADTI $200,000 for the last three fiscal years which has been a consistent source of funding for activities related to acid mine drainage from coal mining and has been instrumental in accomplishing the ADTI's short-term goals. In addition, the EPA has provided $10,000 for travel and administration, and is currently providing funding for prediction workbook preparation. If each of the Federal agencies, OSM, BLM, DOE, USGS, and other agencies as appropriate [i.e. Bureau of Reclamation (BOR) and U.S. Forest Service (USFS), were provided funds to commit $200,000 toward ADTI, approximately $1 million would be available to support the work of this vital initiative.

In fiscal year 1999, House Report No. 105–581 acknowledged that acid mine drainage is a serious environmental problem and that the U.S. Army Corps of Engineers possessed the experience and capability to assist in the ADTI's efforts. Further, the subcommittee directed the Corps to participate in this initiative with available funds. Since that time, the Corps participated in several workshops with members of the ADTI to exchange information on mining and related environmental issues and to explore the nature and extent of the Corps' involvement. In order to participate along with the Corps, we respectfully request that the USGS be provided funds to commit $200,000 annually (with other Federal agencies involved, such as [OSM, DOE, USACE, Environmental Protection Agency (EPA), BLM, BOR, NPS and USFS] to further the Corp's goals of ecosystem restoration.

Thank you for your time and interest in this vital area. Your continued funding of this Committee's activities will significantly improve our ability to develop the best science for addressing drainage issues with an organized and predictable schedule.

PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES

Thank you for the opportunity to offer testimony to the Interior and Related Agencies Subcommittee on several funding items of great importance to The Humane Society of the United States (HSUS) and its 7.7 million supporters nationwide. As the largest animal protection organization in the country, The HSUS urges the Committee to address these priority issues in the fiscal year 2002 budget.

TRAPPING ON NATIONAL WILDLIFE REFUGES

National Wildlife Refuges should not permit commercial and recreational trapping with inhumane traps. Refuges are the only category of lands specifically set aside for the protection and benefit of wildlife. If we can't protect wildlife from commercial exploitation by cruel means on National Wildlife Refuges, where can we provide protection for these creatures?

According to a June 1997 report to the Congress, "Mammal Trapping within the National Wildlife Refuge System: 1992–1996," the Fish and Wildlife Service administered 487 trapping programs on 281 refuges; thus, more than half of the nation's 520 refuges permit some trapping. According to the report, "[e]ighty-five percent of the mammal trapping programs on refuges were conducted primarily for wildlife and facilities management reasons. The remaining 15 percent occurred primarily to provide recreational, commercial, or subsistence opportunities to the public."

The American Veterinary Medical Association, the American Animal Hospital Association, and the World Veterinary Organization have all declared leghold traps to be "inhumane." These traps are designed to slam closed and grip tightly an animal's leg or other body part. Lacerations, broken bones, joint dislocations and gangrene can result. Additional injuries result as the animal struggles to free itself, sometimes chewing off a leg or breaking teeth from biting the metal trap. Animals caught in leghold traps sometimes die from dehydration, starvation, exposure to the elements, or predators. An animal may suffer misery for several days before a trapper returns to check a trap.

These traps are as indiscriminate as they are inhumane. Any animal unlucky enough to stumble across a trap will be victimized by it. In addition to catching "target" animals, traps catch non-target, or "trash," animals, such as family pets, eagles, and other protected species. A number of studies conducted by professionals from management agencies reveal that for every target animal caught in a steel-jawed leghold trap, there are from one to ten non-target animals caught. This is an unacceptable level of by-catch.

Voters in Arizona, California, Colorado, Massachusetts, and Washington have approved ballot measures to ban leghold traps. New Jersey and Florida have also banned the use of these traps, and many other states have severe restrictions on their use, including Connecticut and Rhode Island. A May 1999 national poll conducted by Peter Hart Research Associates, Inc., revealed that 84 percent of respondents oppose the use of steel-jawed leghold traps on National Wildlife Refuges. There are dozens of wildlife refuges in Arizona, California, Colorado, Massachusetts, New Jersey, Washington, and Florida. There have been no adverse impacts on those refuges from the statewide bans.

In 1999, the House approved an amendment to bar the use of tax dollars to administer or promote the use of steel-jawed leghold traps or neck snares for commerce or recreation on units of the National Wildlife Refuge System. The amendment allowed the use of these traps for the purposes of research, subsistence, conservation, or facilities protection. The House approved this measure by a bipartisan vote of 259–166, with a majority of the members of the Subcommittee on Interior Appropriations favoring the amendment. Unfortunately, the Senate rejected an identical amendment offered by Senator Robert Torricelli, and the Conferees chose not to include any restrictions on trapping in the fiscal year 2000 Interior Appropriations Act.

We urge the Committee to incorporate the language of the Torricelli amendment in the fiscal year 2002 Interior Appropriations Act. It is a sensible, humane, and narrowly crafted provision. The amendment would not bar trapping on refuges. Other traps, including foot snares, Conibears, and box and cage traps, could be used for any purpose consistent with law and regulation on the refuges. The Torricelli amendment would not forbid the use of steel traps or neck snares. It would ban

those two devices just for commercial and recreational purposes. We urge your favorable consideration of this language.

LAW ENFORCEMENT DIVISION OF THE FISH AND WILDLIFE SERVICE

After illegal drugs and arms, trade in wildlife parts is the third most lucrative smuggling enterprise in this country. New technology and a full complement of Special Agents are essential if law enforcement is to have any hope of effectively enforcing the nation's endangered species trade laws. The HSUS strongly supports an increase of $10 million over the Administration's request for U.S. Fish and Wildlife Service Law Enforcement Operations and Maintenance.

The Law Enforcement Division is currently undergoing a three-year rebuilding effort designed to bring the number of Special Agents to 253. These Special Agents investigate domestic and international wildlife crime and monitor wildlife trade. In addition to field agents, the Division of Law Enforcement is charged with the responsibility of inspecting shipments at ports of entry. Wildlife inspectors play an invaluable role in stopping wildlife smuggling by inspecting wildlife shipments to ensure compliance with laws and treaties.

Investigating sophisticated wildlife smuggling operations requires the latest in law enforcement technology. The Clark R. Bavin Wildlife Forensics Laboratory is capable of providing assistance in the prosecution of wildlife crimes by analyzing claws, teeth, feathers, tissue, blood, and other wildlife samples. The Clark R. Bavin Wildlife Forensics Laboratory is indispensable in the vigorous enforcement of the nation's wildlife trade laws. The HSUS urges the Committee to appropriate an additional $500,000 over the Administration's request. This increase will allow the lab to expand its staff and physical location.

ADDITIONAL PROTECTION FOR MANATEES

We urge your subcommittee to appropriate an additional $1 million over the President's budget for manatee protection and enforcement of speed zones in manatee sensitive areas throughout the State of Florida.

Recognizing the problem of increased manatee deaths and injuries from collisions with boats, the U.S. Fish & Wildlife Service (FWS) has deployed on-water enforcement teams to patrol areas where manatees are frequently seen and the risk of watercraft collisions is high. Unfortunately, a lack of resources makes it difficult for the Service to keep up a consistent presence on the water. It is imperative that these patrols not only continue, but increase in frequency. Thanks to the Committee's leadership, $1 million was appropriated in fiscal year 2001 for this enforcement. While we are grateful for that good start, the mortality numbers so far this year indicate the need for a further increase for this crucial enforcement. The additional enforcement efforts made by FWS have begun to make a difference. With the additional resources, FWS can go a long way towards reducing the number of human-caused manatee mortalities.

MULTINATIONAL SPECIES CONSERVATION FUND

The HSUS joins a broad based coalition of organizations in requesting an increase over the Administration's request for the Multinational Species Conservation Fund (MNSCF). The MNSCF is a fund established by Congress to benefit African and Asian elephants, rhinos and tigers, great apes, and neotropical migratory birds. Congress has authorized a combined total of $30 million dollars for the five programs that constitute the MNSCF. Unfortunately, only $3.25 million was appropriated for the fund in fiscal year 2001 and the same amount was requested by the Administration in fiscal year 2002. We believe that a minimum of $7.5 million, or $1.5 million for each of the five programs, is needed.

Although there are severe threats to the long-term survival of African and Asian elephants, rhinos, tigers, great apes, and neotropical migratory birds, there have been improvements attributable to funds made available through the MNSCF. Grants made from the MNSCF provide a stable funding source that has leveraged over four times as much in additional contributions from range states, non-governmental organizations, and others.

While The HSUS wholeheartedly supports increased funding for the MNSCF, we are very concerned about previous incidents and future opportunities for funds from these conservation programs to be allocated to promote trophy hunting, trade in animal parts, and other consumptive uses—including live capture for trade, captive breeding, and entertainment to meet the demand of the public display industry—under the guise of conservation for these endangered animals. We respectfully request Committee Report language directing this program to limit grants to projects that are consistent with the spirit of the law.

WILD HORSE AND BURRO PROGRAM/FERTILITY CONTROL RESEARCH

Wild horses and burros are a public trust greatly beloved by the American people. Consequently, we strongly believe that the Bureau of Land Management (BLM) should be given the direction and resources it needs to assure the health and prosperity of wild horse and burro herds and the public lands they inhabit.

During fiscal year 2001, the Bureau of Land Management's Wild Horse and Burro Program received a substantial increase to its annual operating budget. This increase is to be used to implement BLM's four year strategic plan by which appropriate management levels will be achieved in all herd management areas through the use of increased round-ups of wild horses and burros. Yet BLM has never completed a thorough and complete evaluation to determine whether an over-population actually exists. The Agency has consistently refused requests to complete a programmatic environmental impact statement (or evaluation) to analyze the impact of the current wild horse and burro population and ascertain the combined effects of the existing wild horse and burro populations and the livestock grazing in those areas on the land's sustainability. The HSUS did not believe then, and does not believe now, that increased round-ups are consistent with the spirit or intent of the law or justified while BLM refuses to base its need to round-up on empirical data, but continues to rely on anecdotal conjecture.

In addition to the more traditional threats faced by wild horses and burros, which include habitat destruction, wildfires, and cattle ranching encroachment, wild horses are coming under pressure from the increasing demand for horsemeat as a result of "mad cow" disease threat in Europe. The BLM documented that in 1999 hundreds of wild horses were sold into slaughter despite the Congressionally mandated prohibition on such action.

In light of the current pressure on wild horses and burros from decreasing habitat and mad cow disease, we urge this committee to once again include the following standard language in the fiscal year 2002 Interior Appropriations bill: "The appropriations made herein shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors."

ANIMAL CONTROL INITIATIVE ON NATIVE RESERVATIONS

The HSUS urges the Committee to designate $750,000 of the Bureau of Indian Affairs' Law Enforcement Initiative (or some other account the Committee deems appropriate) for a project to improve animal control services on several Native American reservations where public health and safety are currently jeopardized by the lack of such services. Over the last decade, some Native American Nations have developed animal control programs and ordinances, but their struggling programs are severely under funded. Other Native American Nations have no animal control programs at all. Poor and non-existent animal control programs pose not only serious problems for the animals on reservations, but also immediate public health and safety threats to the human residents.

Dog bites have become a serious hazard, particularly for children. Dogs bite more than 4.7 million individuals each year in the United States, leading to injuries and transmission of rabies and other diseases. The problem is particularly acute in Native American Nations. A 1996 report by Navajo Nation Animal Control stated that, "in 1990, the Indian Health Service announced that approximately 2,000 individuals were treated for dog bites" on that reservation. A fatality associated with a dog attack occurred last year on the Blackfeet Reservation, and dog attacks on other reservations have led to severe injuries and death for children and adults over the past several years.

Recognizing this problem, The HSUS places a priority on animal control problems on Native American Reservations. In an effort to assist tribal leaders in developing their own programs for animal control and to prevent pet overpopulation, our Northern Rockies Regional Office and West Coast Regional Office have provided hands-on help. The Northern Rockies office performed forty-seven days of spay/neuter, vaccination, and educational clinics on fourteen reservations, seeing to the needs of thousands of animals. Our West Coast Regional Office worked with 852 animals on the Quinault, Walm Springs, Round Valley, and Hoopa reservations. Clinics were held in rural areas where there have been few options for preventing pet overpopulation and health concerns associated with roaming animals. Humane education materials, collars and leashes, and pet carriers were provided to pet owners.

However, to address the full range of public health issues associated with free-roaming, proliferating, and unvaccinated canine populations on Native lands, and to do so in a way that will achieve long-term results rather than just providing stop-gap aid, federal assistance is needed. The funding requested would help several Na-

tive Nations begin to establish their own effective animal control programs. The proposed initiative would include training (workshops for animal control personnel about safe animal capture, handling, and vaccinations); animal sterilization and other veterinary services; humane education (instruction on how to deal with roaming animals, proper animal care, and responsible pet ownership); grants to Native Nation animal control agencies for facilities improvement or construction; and, if appropriate, legislation (helping communities develop effective local animal control laws). The HSUS will continue to work to address this issue and welcomes the interest and assistance of the Committee.

PREPARED STATEMENT OF THE FRONTERA AUDUBON SOCIETY

Frontera Audubon Society requests appropriation of $5 million from the Land and Water Conservation Fund (LWCF) in fiscal year 2002 for purchase of lands by the U.S. Fish and Wildlife Service for inclusion in the Lower Rio Grande Valley National Wildlife Refuge in Texas.

The Lower Rio Grande Valley contains the Nation's most valuable lands for protecting biological diversity. The cost of purchasing land remains low. Now is the time to commit substantial funds to completing the "wildlife corridor" intended to protect this biological treasurehouse.

Data for a study [1] that appeared in Biological Conservation last year show that the Valley is a "hot spot of vulnerability" for biodiversity because of the combination of biological uniqueness and heavy development pressures. A study of 94 counties along the Nation's southern fringe found that Hidalgo County ranks highest for the number of bird and butterfly species with restricted ranges; Cameron is the second county in the hierarchy, and Starr County is sixth.

The scientists also assessed these biologically rich counties' vulnerability to human population growth and resulting habitat loss. Again, Cameron and Hidalgo counties were among the highest-ranking counties. This is not surprising as the McAllen-Edinburg-Mission and Brownsville-Harlingen-San Benito metropolitan areas have been among the ten fastest-growing areas nation-wide for the past several years.

The biological richness of the Lower Rio Grande Valley was recognized in 1979 with establishment of the Lower Rio Grande Valley National Wildlife Refuge. The Valley is home to more species of animals and plants than any other similar-sized area of the country. These include 465 bird species—half of all bird species found in the United States. Sixty of the bird species live in no other part of the country. In addition, there are more than 200 species of mammals, reptiles, amphibians, and fish; 300 species of butterflies; and 1,200 species of plants.

The threats to this biological treasurehouse are also well documented. Twenty-one species in the region are listed under the U.S. Endangered Species Act. An additional 35 are considered to be imperilled in Texas. More than 100 of the bird species are listed by the Texas Partners in Flight program as "species of special interest".

As a consequence of the combined biological values and rising threats to them, the Lower Rio Grande Valley National Wildlife Refuge has consistently ranked among the Fish and Wildlife Service' highest priorities for land acquisition.

The Lower Rio Grande Valley National Wildlife Refuge will protect nearly half of a planned 285,000 acre wildlife protection network—the "Wildlife Corridor." Other lands and waters in the corridor are managed by state, county, and private conservation organizations as well as the Laguna Atascosa NWR. The entire planned complex will protect a modest 10 percent of the area of the four counties involved: Cameron, Hidalgo, Starr, and Willacy.

Lands acquired for the refuge all come from willing sellers. Currently, approximately 30 landowners are interested in selling their lands to the Refuge. Appraisals on 19 parcels should be completed in June; these lands are expected to have a total value of $7 million. However, the Refuge has only $5.1 million—not enough to complete these purchases.

Appropriation of $5 million for fiscal year 2002 would allow purchase of approximately 10,000 acres over this year and next. This funding is critically important to protecting the highest priority wildlife habitats in the Nation.

The Lower Rio Grande Valley National Wildlife Refuge protects valuable remnants of eleven biotic communities. The Refuge has achieved its protection goals for several of these biotic communities: Barretal, loma/tidal flats, mid-delta thorn for-

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[1] Robbyn J.F. Abbitt, J. M. Scott, D.S. Wilcove. The geography of vulnerability: incorporating species geography and human development patterns into conservation planning. Biological Conservation 96 (2000) 169–175.

est, upland thorn scrub, mid-Valley riparian woodland, and woodland potholes and basins. However, the Refuge has acquired 20 percent or less of its goals for five other unique habitat types: upper Valley flood forest, Chihuahuan thorn forest, and ramaderos—all in Starr County; Sabal palm forest—in Cameron County near the river's mouth; and coastal brushland and potholes, found in Willacy County. Eight of the 19 parcels now being appraised are in the under-represented habitat types of Starr County.

In recent years, purchases have been stalled by problems at the Regional Office in completing appraisals. We believe these difficulties are now on the verge of solutions. First, there has been turnover among the appraisal staff at the regional office of the Fish and Wildlife Service (Region 2, Albuquerque), and the new staff has taken some time to get "up to speed". One result has been that the Refuge staff has waited 11 months or longer for completed appraisals. A second problem has been how to value land sold separately from the water rights (landowners can sell their water rights to development interests for higher prices). The price offered by the Fish and Wildlife Service for land separate from water rights is so low that landowners often decline. The Department of Justice has suggested a new appraisal approach that would result in higher bids—but the FWS appraisers have not yet decided to adopt the new methodology. Frontera Audubon is encouraged, however, that the Deputy regional Director has instructed his staff to solve these problems and speed up land acquisitions.

The investment in land acquisition at the Lower Rio Grande Valley NWR is quickly recouped by the increased economic activity stimulated by just one group of recreationists—birders.

Tourism is the third largest industry in Texas. In the early 1990s, tourism brought $25.4 billion and 446,000 jobs to Texas. Nature tourism is the fastest-growing segment of the industry, and Texas is the number one birding destination in the United States. The Lower Rio Grande Valley, in turn, is one of three "birding hotspots" in Texas.

In 1999, the Texas Parks & Wildlife Department issued a "sustainable ecotourism strategy"[2] for the Lower Rio Grande Valley that was developed in partnership with local communities. The strategy notes the region's status as the most biologically diverse region in the country, its rapid population growth, and its persistent poverty (all four counties rank in the lowest 3 percent of counties nation-wide on per capita income). While developing the strategy, the Department determined that nature tourists stay longer in the Valley and spend more money each day than do other visitors to the region.

Under the strategy, visitors would be attracted to a multi-site World Birding Center. The Center would consist of three main interpretation sites—at Mission, Brownsville, and Weslaco; and another seven satellite sites placed in municipalities across the four counties from South Padre Island to Roma (in Starr County).

According to the study, the Lower Rio Grande Valley now receives 3.6 million visitors annually. Preliminary research indicates that 77 percent of these tourists—and numerous residents—would visit one or more units of the World Birding Center. The estimated 100,000 visitors to the World Birding Center would generate $56 million in local expenditures, $1.7 million in local tax revenues, and over 930 new jobs. Another benefit would be distributing the economic gains more widely among towns in the Valley.

Completion of the Lower Rio Grande Valley NWR is critical to providing the public bird viewing opportunities on which the ecotourism strategy is premised.

PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

INTRODUCTION

It has long been said that the Colorado River is the lifeblood of the West. Today, the Colorado River supplies vital water and power resources for more than 20 million people in Arizona, California and Nevada.

Concerns have been raised about the reliability of these water and power resources following the U.S. Fish and Wildlife Service's 1994 designation of critical habitat for four endangered fish species in the Colorado River Basin.

In response, representatives of the U.S. Department of the Interior, Arizona, California, and Nevada, Native American tribes, along with various stakeholders and

[2] David R. Heil, T.L.Eubanks, M. Lindsay. World Birding Center. A Sustainable Ecotourism Strategy for Lower Rio Grande Valley of Texas. July 1, 1999. Economic Development Administration Grant #08–29–03147.

water and power agencies along the lower Colorado, have formed a regional partnership, which is developing a first-of-its kind multi-species conservation program aimed at protecting sensitive, threatened and endangered species of fish, wildlife and their habitat.

The partnership formed a 35-member steering committee, which has been designated by the U.S. Fish and Wildlife Service as an Ecosystem Conservation and Recovery Implementation Team (ECRIT) under the federal Endangered Species Act. The steering committee has retained the services of professional facilitator and technical consultant teams to help develop a plan for the conservation program. The conservation plan is scheduled for completion in Fall 2002.

PROGRAM DESCRIPTION

The multi-species conservation program will work toward the recovery of listed species through habitat restoration and species conservation, and reduce the likelihood of additional species listings under the federal and California Endangered Species Act.

The MSCP planning area includes the historic floodplain of the lower Colorado River and reservoir full-pool elevations from Lake Mead to the Southerly International Boundary with Mexico. MSCP habitat restoration and preservation activities are intended to address the following habitat types: aquatic, wetland/marsh, riparian and upland desert fringe. It is the intent of the MSCP to conserve, protect, and re-vegetate native cottonwood-willow and mesquite trees in the floodplain, and remove the non-native salt cedar, or tamarisk, that has become established.

The MSCP will be implemented over a 50-year period. The long-term program is also intended to accommodate current water diversions and power production and optimize opportunities for future water and power development. This comprehensive program will provide long-term environmental compliance for participating federal agencies, pursuant to Section 7 of the federal Endangered Species Act, and non-federal agencies under Section 10. California Agencies will also pursue programs and actions to achieve compliance with California Environmental Quality and Endangered Species Acts.

Over the past four years, interim conservation measures (ICMs) have been developed and implemented to address the immediate critical needs for certain endangered species. ICMs benefiting the endangered razorback sucker, bonytail, and southwestern willow flycatcher were initiated.

PROGRAM DEVELOPMENT COST

The cost to develop the long-term conservation plan is projected to be approximately $6.7 million over five years for planning needs and implementation fICMs. A federal/non-federal cost-sharing agreement is in place for development of the program and implementation of interim conservation measures. The federal and non-federal participants shared program development costs on a "50/50" basis. Among the non-federal participants, the shares were distributed as follows: 50 percent of the non-federal share was borne by California, 30 percent by Arizona, and the remaining 20 percent by the State of Nevada.

PROGRAM IMPLEMENTATION

The MSCP will be implemented over the fifty-year period beginning in late 2002. However, MSCP proponents are desirous of implementing a series of "pilot projects" in order to begin evaluating potential habitat restoration and species conservation technologies within the planning area. Additionally, the pilot projects would be supplemented with species and habitat monitoring and research programs, providing the basis for a comprehensive adaptive management approach.

PROPOSED PLANNING & IMPLEMENTATION PILOT PROJECT DESCRIPTION

In order to complete the Lower Colorado River Multi-Species Conservation Program (MSCP) by Fall 2002, and support Reclamation's continued compliance with the 1997 biological opinion, the MSCP Steering Committee has identified several critically needed planning projects which, if developed, ensure overall comprehensiveness of the MSCP. These planning projects are necessary to accomplish the following:

—Provide additional or lacking species and habitat data, evaluations and analyses ($200,000);

—Provide critically needed groundwater and soils data ($200,000);

—Provide for the development of conservation opportunity area site suitability assessments ($500,000);

—Develop conceptual habitat restoration site designs for approximately six sites within the MSCP planning area ($500,000);
—Develop digital elevation mapping (1–2 foot contour intervals) within the MSCP planning area ($200,000);
—Develop updated detailed vegetation mapping within the MSCP planning area ($200,000);
—Provide funds for completion of conservation planning on the Colorado River Indian Reservation ($500,000);
—Provide funds to the California Department of Fish and Game, through the U.S. Fish and Wildlife Service, in support of the Natural Communities Conservation Planning Act requirements and requisite Scientific Review Panel ($200,000); and
—Provide funds for completion of the development of the Lower Colorado River Multi-Species Conservation Program ($500,000).

PILOT PROJECT FUNDING

It is respectfully requested that this suite of proposed LCR MSCP habitat conservation planning and data acquisition projects should be funded with an additional appropriation of $3.0 million to the U.S. Fish and Wildlife Service's Habitat Conservation Planning budget line item, for which the federal, tribal, and state MSCP participants shall receive credit as part of their long-term conservation commitments.

PREPARED STATEMENT OF THE OREGON WATER RESOURCES CONGRESS

Dear Chairman Burns and Members of the Subcommittee: Mr. Chairman, members of the Subcommittee, I am Beverly Bridgewater, President of the Oregon Water Resources Congress (OWRC). The OWRC represents irrigation, water control, drainage and water improvement districts, private ditch and irrigation corporations, cities and counties, individual farmers and ranchers statewide as well as having agribusiness associates as members.

I am writing to urge your support for $25 million for fiscal year 2002 for the U.S. Fish and Wildlife Service to implement Public Law 106–502, the Fisheries Restoration and Irrigation Mitigation Act of 2000.

BACKGROUND

Public Law 106–502, (H.R.1444) the Fisheries Restoration and Irrigation Mitigation Act of 2000, established a new program within the U.S. Fish and Wildlife Service to plan, design, and construct fish screens, fish passage devices, and related features to mitigate impacts on fisheries associated with irrigation system water diversions by local governmental entities in the Pacific Ocean drainage of the States of Oregon, Washington, Montana, and Idaho.

The goals of the program are to decrease fish mortality associated with the withdrawal of the water for irrigation and other purposes without impairing the continued withdrawal for water for those purposes and to decrease the incidence of juvenile and adult fish entering water supply systems. Nonfederal participation in the program is voluntary.

Projects to be undertaken by the program will be evaluated and prioritized on the basis of: benefits to fish species native to the project area, particularly to species that are listed as being, or considered by Federal and State authorities to be, endangered, threatened, or sensitive; the size and type of water diversion; the availability of other funding sources; cost effectiveness; and additional opportunities for biological or water delivery system benefits.

The legislation authorized $25,000,000 a year to be allocated within the four states, starting in fiscal year 2001. Because the legislation was not signed into law until November of 2000, the opportunity for funding the program in the Interior Appropriations bill was not available. The Congressional Budget Office had estimated outlays for the program at $8 million in fiscal year 2001, $15 million in fiscal year 2002, $22 million in fiscal year 2003 and $25 million in fiscal year 2004. Because Congress was not able to act on appropriations for fiscal year 2001, we are requesting the full $25 million for fiscal year 2002. The Act stipulates that not more than 25 percent of the total funds may be used for one or more projects in any single state. The act also caps the amount of Federal administrative expenses of carrying out the program to not more that 6 percent. The Act would require nonfederal participants in the funded projects to pay 35 percent of development and implementation costs and all operating and maintenance costs on nonfederal projects.

PRESENT STATUS

In order to move forward there is a need for the inventory phase to occur. The OWRC would have liked to have had the inventory phase of this Act funded out of the fiscal year 2001 Budget so that construction on projects could begin in fiscal year 2002. At this time that does not appear to be possible. In order for this to have occurred, funding would have had to been provided out of the U.S. Fish and Wildlife Service Budget. The "Deferred Allocation Budget" that was established by former Director Jamie Clark could have provided limited funding for high priority issues arising subsequent to budget approval. We believe the fishscreens program fit that definition. We recognize there may be other priorities for the use of this money from within Region 1 of the Service, and for that matter, the other regions. However, from a water user standpoint, where the right to the use of our water is at stake, and our very livelihood and economic stability of our communities endangered, we believe there to be a strong need to recognize our willingness to address the issue as a major factor in seeking this money. We would still like to see this possibility explored.

As one of the four water user associations for the four Pacific Northwest States that would benefit and be the major users of the program, and who are currently under Federal mandates from the U.S. Fish and Wildlife Service and the National Marine Fisheries Services to correct the problems associated with our diversions, there is a responsibility on the part of the Service to partner with us to move forward towards a solution. The water users were at the forefront in advocating passage of this legislation. We recognized and welcomed the support from the states, the environmental community and the Native American community for passage of this important piece of legislation. It is only through these types of partnerships that our region can move forward with solving the structural and financial issues associated with salmon and other fisheries related issues.

Thank you for considering our request for full funding in fiscal year 2002, and we look forward to whatever help you might extend with respect to fiscal year 2001 funding for this important program.

PREPARED STATEMENT OF THE LOWER COLORADO RIVER BASIN STATES—ARIZONA, CALIFORNIA, AND NEVADA

INTRODUCTION

It has long been said that the Colorado River is the lifeblood of the West. Today, the Colorado River supplies vital water and power resources for more than 20 million people in Arizona, California and Nevada.

Concerns have been raised about the reliability of these water and power resources following the U.S. Fish and Wildlife Service's 1994 designation of critical habitat for four endangered fish species in the Colorado River Basin.

In response, representatives of the U.S. Department of the Interior, Arizona, California, Nevada and Native American tribes, along with various stakeholders and water and power agencies along the Lower Colorado River, have formed a regional partnership, which is developing a first-of-its kind Multi-Species Conservation Program (MSCP) aimed at protecting sensitive, threatened and endangered species of fish, wildlife and their habitat.

The partnership formed a 35-member steering committee, which has been designated by the U.S. Fish and Wildlife Service as an Ecosystem Conservation Recovery Implementation Team (ECRIT) under the federal Endangered Species Act. The steering committee has retained the services of professional facilitator and technical consultant teams to help develop a plan for the MSCP. The conservation plan is scheduled for completion in Fall 2002.

PROGRAM DESCRIPTION

The MSCP will work toward the recovery of listed species through habitat restoration and species conservation, and reduce the likelihood of additional species listings under the federal and California Endangered Species Act.

The MSCP planning area includes the historic floodplain of the Lower Colorado River and reservoir full-pool elevations from Lake Mead to the Southerly International Boundary with Mexico. MSCP habitat restoration and preservation activities are intended to address the following habitat types: aquatic, wetland/marsh, riparian and upland desert fringe. It is the intent of the MSCP to re-vegetate native cottonwood-willow and mesquite trees in the floodplain, and remove the non-native salt cedar, or tamarisk, that has become established.

The MSCP will be implemented over a 50-year period. The long-term program is also intended to accommodate current water diversions and power production and optimize opportunities for future water and power development. This comprehensive program will provide long-term environmental compliance for participating federal agencies, pursuant to Section 7 of the federal Endangered Species Act, and non-federal agencies under Section 10. California agencies will also pursue programs and actions to achieve compliance with California Environmental Quality and Endangered Species Acts.

Over the past four years, interim conservation measures (ICMs) have been developed and implemented to address the immediate critical needs for certain endangered species. ICMs benefiting the endangered Razorback Sucker, Bonytail and Southwestern Willow Flycatcher were initiated.

PROGRAM DEVELOPMENT COST

Current program development costs are projected at about $6.7 million over five years for planning needs and implementation of ICMs. A federal/non-federal cost-sharing agreement is in place for development of the program and implementation of interim conservation measures. The federal and non-federal participants shared program development costs on a "50/50" basis. Among the non-federal participants, the shares were distributed as follows: 50 percent of the non-federal share was borne by California, 30 percent by Arizona and the remaining 20 percent by Nevada.

PROGRAM IMPLEMENTATION

The MSCP will be implemented over the fifty-year period beginning in late 2002. However, MSCP proponents are desirous of implementing a series of "pilot projects" in order to begin evaluating potential habitat restoration and species conservation technologies within the planning area. Additionally, the pilot projects would be supplemented with species and habitat monitoring and research programs, providing the basis for a comprehensive adaptive management approach.

VIRGIN RIVER PILOT PROJECT DESCRIPTION

Located in the northeastern corner of Clark County, Nevada, the Virgin River Pilot Project is approximately 60 miles northeast of the City of Las Vegas. This project area is to the south of Interstate 15, and it extends from the City of Mesquite southwest nearly 35 miles to the Lake Mead National Recreation Area. Encompassed within this project area is a mosaic of federal, state and privately held lands totaling sum 31,300 acres.

The Virgin River Pilot Project provides numerous opportunities for LCR MSCP covered species conservation, and it has a high potential of creating synergies between the LCR MSCP and a number of other regional planning and environmental programs. Over 300 wildlife species occur along the lower Virgin River corridor. Of these, at least 23 have been proposed for coverage by the LCR MSCP. Anticipated actions for this pilot project include acquisition/conservation of privately held lands, enhancement of riparian and wetland habitats and collaboration with ongoing federal, state and local agency planning and environmental efforts.

PROJECT AREA DESCRIPTION

The Virgin River is a natural flowing perennial stream, which originates in the mountains of southern Utah and terminates at the Overton Arm of Lake Mead, Nevada. Within the project area, the floodplain is broad (over a mile in several places) and the stream is braided during most of the year. Soils are predominately sands and the riparian vegetation is dominated by the nonnative shrub Tamarix. Relatively small clusters of native riparian and wetland vegetation are scattered throughout the floodplain. These clusters of native vegetation provide valuable habitat for many native and several federally listed threatened and endangered species.

The lower Virgin River corridor is biologically rich as it supports over 300 wildlife species. During the spring and fall, migrating flocks of song birds, geese, white pelicans and many other birds forage and take refuge along the River corridor as they migrate through the region. Other bird species like the Western Yellow-Billed Cuckoo and the federally endangered Southwestern Willow Flycatcher use the area for breeding and raising young. Presently, the Colorado River Basin's second largest breeding population of Southwestern Willow Flycatcher is located in this area. Other federally listed endangered species that are known to occur within the project area include the following:

—Yuma Clapper Rail;

—Woundfin;

—Virgin River Chub; and,
—Desert Tortoise.

Human land use activities within the project area include urban development within and around the City of Mesquite, agriculture and motorized recreation. All three of these activities are potential threats to the Virgin River ecosystem and could potentially be mitigated with this project.

PROJECT ACTIONS

In keeping with the intent of the LCR MSCP, acquisition and/or conservation of privately held lands in the Virgin River floodplain is a primary component of this project. There are over 9,000 acres of private lands within the project area, and approximately 1,000 acres are proposed to be acquired and/or conserved as part of this project. There are currently parcels available for purchase, but values vary in price to a large extent.

Restoration of riparian and wetland habitats on acquired/conserved private lands and on existing public lands will be an important component of this project. As stated above, the nonnative shrub Tamarix dominates the riparian community, and relatively small clusters of native riparian and wetland vegetation provide substantial benefits to the native vertebrate species. An aggressive program of Tamarix eradication and native species revegetation in the project area will provide significant benefits to those species of interest to the LCR MSCP.

In addition, implementation of this pilot project will potentially enhance ongoing regional planning and environmental programs that intersect at the Virgin River corridor. These programs range from endangered species recovery implementation to public lands disposal. Following is a partial list of these programs:

—Bureau of Reclamation Southwestern Willow Flycatcher Habitat Acquisition
—Clark County Multi-Species Habitat Conservation Plan
—Lincoln County Land Act of 2000
—Southern Nevada Riparian Restoration Initiative
—Southern Nevada Public Land Management Act of 1998
—Virgin River Fishes Recovery Implementation Team
—Virgin River Resource Management and Recovery Program
—Virgin River Tamarix Workgroup

POTENTIAL PROJECT BENEFITS

Potential benefits of this pilot project include:

—Habitat conservation and restoration for several federally listed and sensitive species that are proposed covered by the LCR MSCP (most importantly the Southwestern Willow Flycatcher, Yuma Clapper Rail and Yellow-Billed Cuckoo);
—Consolidation of land use types in an area troubled by checkerboard land use;
—Opportunities for collaboration among several regional planning and environmental programs; and,
—Potential to provide a portion of Nevada's overall commitment to long-term implementation of the LCR MSCP.

FUNDING

It is proposed that the acquisition, preservation and restoration of lands along the lower Virgin River, on behalf of the LCR MSCP, be funded through the Land and Water Conservation Fund. Currently, it is estimated that approximately $7,000,000 will be required toward this effort. Once acquired, title to these parcels would be transferred to adjacent federal or state land managers.

PREPARED STATEMENT OF THE TRIBAL LAW AND POLICY INSTITUTE

On behalf of the Tribal Law and Policy Institute, I am pleased to submit this written testimony on the fiscal year 2002 Appropriations for Interior Department funding of the Indian Tribal Justice Act (Public Law 103–176) and Tribal Courts (under the Tribal Priority Allocations Account).

The Tribal Law and Policy Institute is a Native American owned and operated non-profit corporation organized to design and deliver education, research, training, and technical assistance programs which promote the enhancement of justice in Indian country and the health, well-being, and culture of Native peoples.

Indian Tribal Justice Act and Tribal Court Funding

+$58.4 million. Full Funding for Indian Tribal Justice Act.—The Tribal Law and Policy Institute strongly supports full funding ($58.4 million) for the Indian Tribal Justice Act (Public Law 103–176). On December 21, 2000, the 106th Congress reaffirmed the Congressional commitment to provide this increased funding for tribal justice systems when it re-authorized the Indian Tribal Justice Act for seven more years of funding at a level of $58.4 million per year (see Public Law 106–559, section 202). The Tribal Law and Policy Institute strongly supports FULL FUNDING of the Indian Tribal Justice Act as promised in 1993. The Tribal Law and Policy Institute supports funding at a much higher rate since the number of tribal courts and their needs have substantially increased since the Act was made law in 1993—more than eight years ago.

Tribal Courts—at least $15 million (under the Tribal Priority Allocations Account).—The Tribal Law and Policy Institute strongly supports increased funding for Tribal Courts to a level of at least $15 million under the Tribal Priority Allocations (TPA). This minimal increase represents only a minimal first step towards meeting the vital needs of tribal justice systems. It is important to note that funding has steadily decreased since the passage of the Indian Tribal Justice Act. The needs (as recognized by Congress in the enactment of Public Law 103–176 and re-affirmed with the enactment of Public Law 106–559), however, have only been compounded with the passage of time, the increase in tribal courts, the increase of caseloads, population growth, and rise in crime rate in Indian country. Native American tribal courts must deal with a wide range of difficult criminal and civil justice problems on a daily basis, including the following:

—While the crime rate, especially the violent crime rate, has been declining nationally, it has increased substantially in Indian Country. Tribal court systems are grossly under-funded to deal with these criminal justice problems.

—Number/complexity of tribal civil caseloads have also been rapidly expanding.

—Congress recognized this need when it enacted the Indian Tribal Justice Act—specifically finding that "tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments" and "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation."

—While the Indian Tribal Justice Act promised $58.4 million per year in additional funding for tribal court systems starting in fiscal year 1994, tribal courts have yet to see ANY funding under this Act.

—Since Congress enacted the Indian Tribal Justice Act, the needs of tribal court systems have continued to increase, but there has been no corresponding increase in funding for tribal court systems. In fact, the Bureau of Indian Affairs funding for tribal courts has actually decreased substantially since the Indian Tribal Justice Act was enacted in 1993.

—The 106th Congress re-affirmed the Congressional commitment to provide this increased funding for tribal justice systems when it re-authorized the Indian Tribal Justice Act in December 2000 for seven more years of funding at a level of $58.4 million per year (see Public Law 106–559, section 202).

As Attorney General Janet Reno stated in testimony before the Senate Indian Affairs Committee on, it is vital to "better enable Indian tribal courts, historically under-funded and under-staffed, to meet the demands of burgeoning case loads." The Attorney General indicated that the "lack of a system of graduated sanctions through tribal court, that stems from severely inadequate tribal justice support, directly contributes to the escalation of adult and juvenile criminal activity."

The vast majority of the approximately 350 tribal court systems function in isolated rural communities. These tribal justice systems face many of the same difficulties faced by other isolated rural communities, but these problems are greatly magnified by the many other complex problems that are unique to Indian country. In addition to the previously mentioned problems, tribal justice systems are faced with a lack of jurisdiction over non-Indians, complex jurisdictional relationships with federal and state criminal justice systems, inadequate law enforcement, great distance from the few existing resources, lack of detention staff and facilities, lack of sentencing or disposition alternatives, lack of access to advanced technology, lack of substance abuse testing and treatment options, etc. It should also be noted that in most tribal justice systems, 80–90 percent of the cases are criminal case and 90 percent of these cases involve the difficult problems of alcohol and/or substance abuse.

IMPORTANCE OF TRIBAL COURTS

"Tribal courts constitute the frontline tribal institutions that most often confront issues of self-determination and sovereignty, while at the same time they are charged with providing reliable and equitable adjudication in the many and increasingly diverse matters that come before them. In addition, they constitute a key tribal entity for advancing and protecting the rights of self-government. . . . Tribal courts are of growing significance in Indian Country." (Frank Pommersheim, Braid of Feathers: American Indian Law and Contemporary Tribal Law 57 (1995)). Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. Attorney General Reno acknowledged that, "With adequate resources and training, they are most capable of crime prevention and peacekeeping" (A Federal Commitment to Tribal Justice Systems, 79 Judicature No. 7, November/December 1995, p. 114). It is her view that "fulfilling the federal government's trust responsibility to Indian nations means not only adequate federal law enforcement in Indian Country, but enhancement of tribal justice systems as well." Id.

Tribal courts agonize over the very same issues state and federal courts confront in the criminal context, such as, child sexual abuse, alcohol and substance abuse, gang violence and violence against women. These courts, however, while striving to address these complex issues with far fewer financial resources than their federal and state counterparts must also "strive to respond competently and creatively to federal and state pressures coming from the outside, and to cultural values and imperatives from within." (Pommersheim, "Tribal Courts: Providers of Justice and Protectors of Sovereignty," 79 Judicature No. 7, November/December 1995, p. 111). Judicial training that addresses the present imperatives posed by the public safety crisis in Indian Country, while also being culturally sensitive, is essential for tribal courts to be effective in deterring crime in their communities.

There is no federally supported institution to provide on-going, accessible tribal judicial training or to develop court resource materials and management tools, similar the Federal Judicial Center, the National Judicial College or the National Center for State Courts. Even though the NAICJA annually sponsors the National Tribal Judicial Conference, the three-day conference cannot provide the in-depth extensive judicial training necessary to make tribal justice systems strong and effective arms of tribal government.

INADEQUATE FUNDING OF TRIBAL JUSTICE SYSTEMS

There is no question that tribal justice systems are, and historically have been, underfunded. The 1991 United States Civil Rights Commission found that "the failure of the United States Government to provide proper funding for the operation of tribal judicial systems . . . has continued for more than 20 years." The Indian Civil Rights Act: A Report of the United States Civil Rights Commission, June 1991, p. 71. The Commission also noted that "[f]unding for tribal judicial systems may be further hampered in some instances by the pressures of competing priorities within a tribe." Moreover, they opined that "If the United States Government is to live up to its trust obligations, it must assist tribal governments in their development . . ." Almost ten years ago, the Commission "strongly support[ed] the pending and proposed congressional initiatives to authorize funding of tribal courts in an amount equal to that of an equivalent State court" and was "hopeful that this increased funding [would] allow for much needed increases in salaries for judges, the retention of law clerks for tribal judges, the funding of public defenders/defense counsel, and increased access to legal authorities."

As indicated by the Civil Rights Commission, the critical financial need of tribal courts has been well documented and ultimately led to the passage of the Indian Tribal Justice Act, 25 U.S.C. § 3601 et seq. (the "Act"). Congress found that "[T]ribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health, safety and the political integrity of tribal governments." 25 U.S.C. § 3601(5). Affirming the findings of the Civil Rights Commission, Congress further found that "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation." 25 U.S.C. § 3601(8). In order to remedy this lack of funding, the Act authorized appropriation base funding support for tribal justice systems in the amount of $50,000,000 for each of the fiscal years 1994 through 2000. 25 U.S.C. § 3621(b). An additional $500,000 for each of the same fiscal years was authorized to be appropriated for the administration of Tribal Judicial Conferences for the "development, enhancement and continuing operation of tribal justice systems . . ." 25 U.S.C. § 3614.

Eight (8) years after the Act was enacted, how much funding has been appropriated? None. Not a single dollar was even requested under the Act for fiscal years

1994, 1995, 1997, 1998 or 1999. Only minimal funds were requested for fiscal year 1996 and 2000. Yet, even these minimal funds were deleted. Even more appalling than the lack of appropriations under the Act is the fact that BIA funding for tribal courts has actually substantially decreased following the enactment of the Indian Tribal Justice Act in 1993. In December 2000, Congress re-affirmed its commitment to funding of the Indian Tribal Justice Act by re-authorizing the Act for seven more years of funding (see Public Law 106–559, section 202). Now is the time to follow through on this long promised funding and provide actual funding under the Indian Tribal Justice Act!

CONCLUSION

Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. They are the keystone to tribal economic development and self-sufficiency. Any serious attempt to fulfill the federal government's trust responsibility to Indian Nations must include increased funding and enhancement of tribal justice systems.

We welcome the opportunity to comment on the Interior Department's Budget Request for the Indian Tribal Justice Act and Tribal Courts (under the Tribal Priority Allocations Acount). Thank you very much.

PREPARED STATEMENT OF THE NAVAJO MOUNTAIN SCHOOL BOARD

Mr. Chairman and Members of the Subcommittee: On behalf of the Navajo Mountain Community Board of Education, I thank you for this opportunity to offer comments regarding the fiscal year 2002 budget. We wish to highlight several aspects of the budget which we hope will see increased funding in fiscal year 2002: Administrative Cost Grants ($55 million), Student Transportation ($44 million), ISEP Formula Funds ($400 million), and Facilities Operations and Maintenance funding (eliminate the current 21 percent constraint).

Now is the time to take bold action to eliminate the chronic funding shortfalls that have too long been considered a given for BIA-funded schools. The new Administration has placed education among its highest priorities, and has pledged that the "federal government will meet its responsibilities to Native American children". The Administration has voiced support for local control and flexibility over education programs, a philosophy that should translate to enthusiastic support for tribally-operated schools, which currently constitute nearly two-thirds of all Bureau-funded schools. Budget surplus estimates demonstrate that there is room in the federal budget to prudently choose increased appropriations in areas where funding is most needed—and the need of the BIA-funded school system is certainly such an area. We look forward to working with your subcommittee to ensure that this unique opportunity is fully capitalized upon to improve the lives of Native American youth throughout the BIA system.

ADMINISTRATIVE COST GRANTS

Like many tribally-operated BIA schools, we are facing a crisis in our administrative budget, operating at less than 80 percent of the funding necessary for prudent management of a school. We receive our administrative funding through Administrative Cost Grants, a formula-based method created by Congress to calculate the amount of funds that should be provided for the administrative and indirect cost expenses incurred in the operation of BIA school programs—similar to "contract support" costs provided to non-school contractors. The Administrative Cost Grant formula was designed as a compromise, a minimum calculation of the administrative costs necessary for prudent management of tribally operated schools. When 100 percent of these costs are not funded, our schools are set up for failure.

We were pleased that Congress finally increased Administrative Cost Grant funding by $1 million in fiscal year 2001 after funding had been frozen at the same level ($42.1 million) for three consecutive years. But this small increase does not yet address the depth of the current shortfall, as appropriations have not increased at all in recent years to accommodate rising costs or the strain of additional schools converting to tribal operation and further stretching the already limited pot of funding.

The percentage of the formula met declined from 89.5 percent (SY 1998–99) to 79.68 percent (SY 2000–01) in the three budget years where funding remained level.[1]

The impacts of these shortfalls are far from abstract. Tribally-operated schools have been forced to make reductions-in-force that cost them vital, well-trained administrative staff. Remaining staff struggle under the stress of being overloaded with the work of multiple people. Some schools have had to convert their administrative staff to a 10-month employment year, leaving them ill-prepared to close out the administrative work of the previous school year and to prepare for the coming school year and annual audit. Reduced funding jeopardizes our ability to comply with the internal controls needed for prudent fiscal management.

Please end this mounting crisis by providing funding for the full need generated by the Administrative Cost Grant formula, which we estimate will require approximately $55 million in fiscal year 2002. We also ask that the rider included in recent Interior Appropriations measures capping Administrative Cost Grant funding be excluded in future.

STUDENT TRANSPORTATION

Like many tribally-operated schools, we are located in a remote area where poor road infrastructure and harsh weather make student transportation a significant challenge. Many of the roads our buses travel are unpaved, and are prone to becoming extremely muddy and icy during the winter months. These treacherous conditions place a great deal of wear and tear on our school buses and other school vehicles, most of which are old and in poor condition.

In the current school year, the Bureau-funded transportation rate is $2.31 per mile, far short of the nationwide average of $2.92 that was reported for public schools over six years ago. Yet the fiscal year 2001 budget included less than a $200,000 increase in funding for Student Transportation. Sharp increases in fuel costs over the past year have made increased funding for Student Transportation an absolute necessity. With wear and tear and repair costs well above average and GSA rental and mileage rates escalating at a rapid rate, our student transportation have far outstepped the budgeted rate.

If BIA transportation reimbursement rates continue to lag behind actual costs for student transportation in fiscal year 2002, we will still have to find a way to get their students to class. What choice will we have but to dip into funds that should be used—and are desperately needed for—classroom instruction? This is not an acceptable trade-off. We ask that you increase the BIA budget for student transportation to a level that can at least support a rate of $3 per mile, which we estimate would require an appropriation of at least $44 million, and ensure that maintenance and extracurricular miles are included for funding. We also hope that Congress will consider securing immediate emergency supplemental funding to address the crisis of rising fuel costs that we face.

Indian Student Equalization Program (ISEP)

The ISEP program, which provides basic instructional funding for students in BIA-funded schools, has been consistently underfunded. In fiscal year 2001, Congress took a step in the right direction, agreeing to a desperately needed $14 million increase in funding for ISEP formula funds, which resulted in a final funding level of $330.8 million. But even with this increase, we estimate based on BIA projections that the resulting Weighted Student Unit (WSU) will be approximately $3,650 for School Year 2001–02.

Recently, representatives from the Office of Indian Education Policy, in discussion with school representatives and others, forged the following goals for all BIA-funded schools:

—All children read independently by the third grade
—70 percent of students are proficient/advanced in reading and math
—Individual student attendance rate at 90 percent or better
—Students demonstrate knowledge of their language and culture
—Increased enrollment, retention, placement and graduation rates for post-secondary students.

These are reasonable, important goals—but given the severe underfunding that we face under the current budget, we truly have no means by which to effect these much needed changes. Our basic educational funding is still woefully inadequate when compared with similar expenditures for students in any other school system in the U.S. Unless additional ISEP funding is provided, we will continue to face a

[1] BIA education program funding is "forward funded", as are most federal aid to education programs. Thus, for example, the fiscal year 2000 budget funded the current school year, SY 2000–2001.

large turnover of qualified and experienced teachers, decreased instruction hours, teacher layoffs, and teacher salary freezes. This will make it all but impossible to progress toward the educational goals set by the Office of Indian Education Policy.

We recommend that Congress appropriate at least $400 million for the ISEP Formula program in fiscal year 2002. By funding ISEP at this level, Congress could come closer to offering educational opportunities to Indian students that are more comparable to those enjoyed by other children in this country.

Facilities Maintenance And Operations

While the shortfall in the formula distributions for Facilities Operations and Maintenance improved somewhat this year, our distributions remain inadequate, often proving insufficient to cover even basic utilities, let alone basic maintenance. Adequate formula funding for everyday upkeep of schools is a critical element in assuring that schools will last longer and remain safe for students. With Facilities Operations and Maintenance funds recently divided into two accounts, and Facilities Maintenance blended into the overall line item for Facilities Improvement and Repair under the Education Construction budget, it has become difficult to discern what funding will be available for Facilities Operations and Maintenance under the FACCOM formula. The BIA has notified us that the constraint or shortfall for this year is 21.18 percent. We ask that you work with the Administration to ensure that adequate funding is appropriated to eliminate this shortfall.

CONCLUSION

Mr. Chairman and Members of the Committee, thank you for considering these matters that are so critical to the welfare of Indian children at the Navajo Mountain School. . We hope that this testimony will prove useful to your efforts to craft a fair and reasonable budget for BIA education programs. We have appreciated your support over the years, and look forward to working with you for many years to come in our mutual effort to assure the best possible education for young people attending BIA-funded schools. Our administration, school board, teachers, parents, and students thank you for your assistance.

PREPARED STATEMENT OF THE RAMAH NAVAJO SCHOOL BOARD, INC.

INTRODUCTION

The Ramah Navajo School Board, Inc. (RNSB) expresses its appreciation for the opportunity to submit its views on American Indian education matters coming before the 107th Congress. RNSB requests that Congress appropriate funds or enact policies in the fiscal year 2002 budget as follows: (A) Fund Administrative Cost Grants at 100 percent, but at a minimum fund the full need generated by the Administrative Cost Grant formula estimated at $55 million for fiscal year 2002, and exclude language in recent Interior Appropriations measures capping AC Grant funding. (B) Amend Title III of ESEA to include a set aside for Education Technology for recurring funding to be distributed to BIA-funded schools. (C) Appropriate adequate funding to enable the BIA to provide Direct Contract Support costs to tribal education contractors and modify the Indirect Cost rate according to the court ruling in Ramah Navajo Chapter v. Lujan. (D) Appropriate at least $362 million for the Indian School Equalization Program in fiscal year 2002. (E) Appropriate $44 million for Transportation in fiscal year 2002. (F) Facilities Maintenance: RNSB opposes the recent change in Facility Improvement and Repair funding and we ask that Congress appropriate sufficient funding to eliminate shortfalls in the BIA's Facilities Maintenance appropriations. (G) Appropriate $4.45 million for new Pine Hill Dorm Replacement and not the inadequate $2.95 we understand is to be requested by the BIA. (H) Appropriate $1.4 million for the construction of an additional Elementary Classroom for the Pine Hill School.

Administrative Cost Grants

The Federal government supplies administrative funding to tribally-operated schools through Administrative Cost Grants (AC Grants), which are based on a formula created by Congress to cover the administrative and indirect cost expenses incurred in the operation of BIA-funded school programs. The AC Grant formula was a compromise to provide the minimum funding necessary for prudent management of tribally-operated schools. When 100 percent of these costs are not funded, our schools are set up for failure. Yet this year, tribally-operated schools are receiving less than 80 percent of the funding that Congress determined to be necessary to cover basic administrative costs and to ensure prudent management. We were pleased that Congress increased AC Grant funding by $1 million in fiscal year 2001

after funding had been frozen at the same level ($42.1 million) for three consecutive years. In those years, additional schools converted to tribal operation, causing the percentage decline from 89.5 percent (SY 1998–99) to 79.68 percent (SY 2000–01) in the three budget years when funding remained at the same level. BIA education programs are forward funded, as are most Federal education programs (i.e., the fiscal year 2000 budget funded the current 2000–01 School Year). It is now time for Congress to address the backlog created in the years it failed to increase funding and to raise appropriations to fully fund the costs it committed to cover when tribes operate these schools on behalf of the Federal government. The impact of AC Grant shortfalls will continue to undermine and cripple tribal operation of BIA-funded schools if under funding continues unchecked. Schools, such as our Pine Hill School, are struggling to afford the annual audits required by law; many are forced to cut administrative staff below levels required for prudent fiscal management; others are unable to hire staff willing to work in remote locations at the salaries the schools afford given the shortfalls; and some have converted administrative staff to ten-month employment leaving the schools unprepared to close out the previous school year and prepare for the coming year and annual audit. If this trend continues, we will begin to see a sharp increase in fiscal failure among these schools, with many having no choice but to revert back to Federal control and give up local tribal control over the education of their own children—a right enjoyed by other Americans through their local school boards. Both the National Congress of American Indians and the National Indian Education Association passed resolutions calling for full funding of AC Grants. We urge Congress to join these bodies and tribes in recognizing that the needs of tribal schools for administrative costs are just as great as those of other tribally-operated BIA and IHS programs. We ask that Congress fund the full need generated by the Administrative Cost Grant formula, which we estimate at $55 million for fiscal year 2002. In addition, we request that language included in recent Interior Appropriations measures capping AC Grant funding be excluded from the fiscal year 2002 measure.

Separate "Pot" of Funding for New Contract/Grant Conversions.—We also ask Congress to amend Public Law 95–561 by adding authorizing language to create a separate AC Grant "pot" for new contract and grant conversions to alleviate the shortfalls caused by additional schools converting to tribal operation and drawing from the already under-funded pot without new funds to support the conversions. Congress should automatically fund a set aside for an amount estimated by the BIA.

Authority to Negotiate and Collect Direct Contract Support.—The AC Grant provision should be amended to enable tribally-operated schools to negotiate for direct contract support funds, which includes administrative and overhead expenses directly attributable to a particular program, such as: phones, postage, training, fringe benefits, etc. Section 106 of the Indian Self-Determination Act (ISDA) calls for BIA and IHS to provide direct contract support to tribal contractors. (Tribally-operated schools are not covered by Sec. 106 since Congress created the AC Grant mechanism for schools.) As a matter of policy, BIA has not paid direct contract support to ISDA contractors, such as RNSB. BIA only provides "regular" contract support funds based on negotiated indirect cost rates because it asserts it does not get enough funding to pay direct contract support. By contrast, IHS does provide funding for direct contract support. Congress will also need to amend Public Law 95–561.

Remove the Discretionary Nature of Administrative Cost Grant Funding.—Congress has been able to consistently under fund AC Grants because language in the statute makes the formula "subject to appropriations." This has resulted in schools receiving less than 100 percent of their AC Grant amount since Congress does not provide enough money to fund at 100 percent. For SY 1999–2000, only 82 percent of the AC Grant formula was funded. We recommend that the "subject to appropriations" language be removed from the authorizing legislation to enable schools to obtain 100 percent of the AC Grant amount. This would only be the first step in achieving full funding since we also ask that Congress remove the "cap" on AC Grants that has appeared in the last several Appropriations Acts.

Recurring Funding for Education Technology

Amend Title III (Education Technology) of the ESEA to provide a set-aside for recurring funding for education technology for the schools in the BIA system. Current law gives the BIA status as a "state" to apply for these funds, but BIA does not currently distribute those funds to all schools in the system, which could benefit from recurring funding to upgrade school computer systems and Internet access for students.

Direct and Indirect Contract Support

RNSB is requesting that appropriations for Direct and Indirect Contract Support continue to increase in order to meet the funding needs of tribes to administer Federal grants and contracts. Currently, the BIA does not recognize Direct Contract Support Costs as identified in the Indian Self-Determination and Education Assistance Act. Appropriations must be made for Direct Contract Support for the BIA so these funds can be provided to tribes. In addition to funding, RNSB requests that modifications be made to the Indirect Costs rate calculations currently utilized by the Office of Inspector General for tribal Indirect cost agreements. We request that these calculations be modified to reflect the May 8, 1997 decision in the Ramah case (Ramah Navajo Chapter vs. Lujan, 112 F.3d 1455 (10th CIR. 1997)). The Office of Inspector General has ignored this decision and continues to calculate tribal indirect cost rates inappropriately.

Indian School Equalization Program

ISEP Formula Funding, which provides basic instructional funding for students in BIA-funded schools, remains far short of equivalent funding per student provided to Department of Defense schools and average funding received by public schools. This lower level of funding should not be accepted. In fiscal year 2001, Congress agreed to a desperately needed $14 million increase for a final funding level of $330.8 million. But even with this increase, we estimate that (based on BIA projections) the resulting Weighted Student Unit (WSU) will be approximately $3,650 for School Year 2001–02. This remains woefully inadequate, especially when compared with similar expenditures for students in other school systems in the U.S. Unless additional ISEP funding is provided, we will continue to lose our best teachers to salary freezes, teacher layoffs, better paying jobs, and our students will suffer decreased instruction hours and inadequate instructional materials. To seriously address this shortfall, we recommend that Congress appropriate at least $362 million for the ISEP Formula program in fiscal year 2002. Based on BIA projections, this will result in a WSU of approximately $4,000 per student. By funding ISEP at this level, Congress will come closer to offering educational opportunities to Indian students that are comparable to those enjoyed by all other children in this country.

Transportation

The BIA transportation rate is $2.31 per mile for the 2000–01 SY, far short of the national average of $2.92 reported for public schools six years ago. Yet the fiscal year 2001 budget included less than a $200,000 increase for transportation costs which have constantly exceeded the budgeted rate because of: (1) Sharp increases in fuel costs. (2) Above average repair costs for school buses which are used mainly in rural areas with unpaved and unmaintained roads. (3) Escalating GSA rental and mileage rates. Our school has been forced to use $100,000-to-$150,000 of its ISEP funds to cover the shortfalls in the transportation funding we received; a tradeoff we should not be forced to make. We ask Congress to increase student transportation to a level that can at least support a $3 per mile rate, which we estimate would require an appropriation of at least $44 million.

Facilities Maintenance and Operations

The formula distributions for Facilities Operations and Maintenance remain inadequate, often proving insufficient to cover even basic utilities, let alone basic maintenance. Adequate formula funding for everyday upkeep of schools is a critical element in assuring that schools will last longer and remain safe for students. With Facilities Operations and Maintenance funds recently divided into two accounts, and Facilities Maintenance blended into the overall line item for Facilities Improvement and Repair (FI & R) under the Education Construction budget, it has become difficult to discern what funding will be available for Facilities Operations and Maintenance under the FACCOM formula. Currently we face a constraint or shortfall of 21.18 percent. RNSB asks that Congress work with the Administration to ensure that adequate funding is appropriated to eliminate this shortfall. In the fiscal year 2000 budget, the BIA requested Congress to split the Facilities Operations and Maintenance line item into two line items. Schools objected to this change, but Congress approved the BIA's request. In fiscal year 2000, Facilities Operations was funded at $54 million and Facility Maintenance was funded at $27 million. The Facility Operations funding request for the fiscal year 2001 budget is only $55.6 million. For fiscal year 2001, the Facility Maintenance funding request is being combined with the Facility Improvement and Repair line item in the Education Construction portion of the budget. The Facility Maintenance funding has been distributed based on a formula driven methodology and the Facility Improvement and Repair funding is distributed based on a project-by-project and on a one-time basis.

If this change results in the Facility Maintenance funding no longer being distributed by the formula funding methodology, then the impact would be devastating to the already under funded daily operations and maintenance needs. RNSB requests that funding levels for the Facility Maintenance portion be distributed as in previous years. If Facility Maintenance funding levels are to be distributed in the same manner as the Facility Improvement and Repair funding, RNSB opposes this change. These funds are imperative to the operations of the Pine Hill School and RNSB's Indian Self-Determination operations.

Pine Hill Dorm Replacement

RNSB appreciates the planning & design money received in the fiscal year 2001 budget for new dormitory facilities, and we urge approval of funds for actual construction in the fiscal year 2002 budget. Our dorm accommodates the critical housing needs of many Ramah Navajo students. However, information provided by the BIA reflects a funding level of only $2.95 million for this project. Similar size dormitories on the Navajo Reservation have been projected at 100 students × 330 Sq. Ft. Per Student × $135 = $4.45 million. Therefore, RNSB is in need of approximately $1.50 million more to complete this planned project. The BIA's request omits a cafeteria and reduces the dorm rooms from 100 to 80, which does not reflect RNSB's original need.

Education Facilities Construction

RNSB requests $1,400,000 to construct an Elementary School classroom building for Pine Hill School needed because of continued increases in enrollment for the past eight years. The Pine Hill School has experienced a 50 percent increase in enrollment since the 1992–1993 SY (371 to 558 enrolled students), and the average increase per year is approximately 8 percent. There is also a serious concern associated with the unsafe issues of overcrowding in the Pine Hill School K–12 programs. Gross square footage of the proposed facility is 8,643. The total square footage includes six classrooms at 871 square feet; girls and boys restrooms at 297 square feet each; and a teachers workroom at 349 square feet. The building will be built with steel structure, metal roof and a brick veneer exterior. Each classroom will be wired for computers and connected to the local network system. The architect and engineering costs are projected at $85,000. Waste treatment and site utilities are projected at $145,000. Construction cost is estimated at $135 a square foot for a actual construction amount of $1,170,000. The total cost of the project is $1,400,000.

PREPARED STATEMENT OF THE COLORADO RIVER COMMISSION OF NEVADA

INTRODUCTION

It has long been said that the Colorado River is the lifeblood of the West. Today, the Colorado River supplies vital water and power resources for more than 20 million people in Arizona, California and Nevada.

Concerns have been raised about the reliability of these water and power resources following the U.S. Fish and Wildlife Service's 1994 designation of critical habitat for four endangered fish species in the Colorado River Basin.

In response, representatives of the U.S. Department of the Interior, Arizona, California, and Nevada, Native American tribes, along with various stakeholders and water and power agencies along the lower Colorado, have formed a regional partnership, which is developing a first-of-its kind multi-species conservation program aimed at protecting sensitive, threatened and endangered species of fish, wildlife and their habitat.

The partnership formed a 35-member steering committee, which has been designated by the U.S. Fish and Wildlife Service as an Ecosystem Conservation and Recovery Implementation Team (ECRIT) under the federal Endangered Species Act. The steering committee has retained the services of professional facilitator and technical consultant teams to help develop a plan for the conservation program. The conservation plan is scheduled for completion in Fall 2002.

PROGRAM DESCRIPTION

The multi-species conservation program will work toward the recovery of listed species through habitat restoration and species conservation, and reduce the likelihood of additional species listings under the federal and California Endangered Species Act.

The MSCP planning area includes the historic floodplain of the lower Colorado River and reservoir full-pool elevations from Lake Mead to the Southerly International Boundary with Mexico. MSCP habitat restoration and preservation activi-

ties are intended to address the following habitat types: aquatic, wetland/marsh, riparian and upland desert fringe. It is the intent of the MSCP to re-vegetate native cottonwood-willow and mesquite trees in the floodplain, and remove the non-native salt cedar, or tamarisk, that has become established.

The MSCP will be implemented over a 50-year period. The long-term program is also intended to accommodate current water diversions and power production and optimize opportunities for future water and power development. This comprehensive program will provide long-term environmental compliance for participating federal agencies, pursuant to Section 7 of the federal Endangered Species Act, and non-federal agencies under Section 10. California Agencies will also pursue programs and actions to achieve compliance with California Environmental Quality and Endangered Species Acts.

Over the past four years, interim conservation measures (ICMs) have been developed and implemented to address the immediate critical needs for certain endangered species. ICMs benefiting the endangered razorback sucker, bonytail, and southwestern willow flycatcher were initiated.

PROGRAM DEVELOPMENT COST

Current, program development costs are projected at about $6.7 million over five years for planning needs and implementation of ICMs. A federal/non-federal cost-sharing agreement is in place for development of the program and implementation of interim conservation measures. The federal and non-federal participants shared program development costs on a "50/50" basis. Among the non-federal participants, the shares were distributed as follows: 50 percent of the non-federal share was borne by California, 30 percent by Arizona, and the remaining 20 percent by the State of Nevada.

PROGRAM IMPLEMENTATION

The MSCP will be implemented over the fifty-year period beginning in late 2002. However, MSCP proponents are desirous of implementing a series of "pilot projects" in order to begin evaluating potential habitat restoration and species conservation technologies within the planning area. Additionally, the pilot projects would be supplemented with species and habitat monitoring and research programs, providing the basis for a comprehensive adaptive management approach.

PROPOSED PLANNING & IMPLEMENTATION PILOT PROJECT DESCRIPTION

In order to complete the Lower Colorado River Multi-Species Conservation Program (MSCP) by Fall 2002, and support Reclamation's continued compliance with the 1997 biological opinion, the MSCP Steering Committee has identified several critically needed planning projects which, if developed, ensure overall comprehensiveness of the MSCP. These planning projects are necessary to accomplish the following:

—Provide additional or lacking species and habitat data, evaluations and analyses ($200,000);
—Provide critically needed groundwater and soils data ($200,000);
—Provide for the development of conservation opportunity area site suitability assessments ($500,000);
—Develop conceptual habitat restoration site designs for approximately six sites within the MSCP planning area ($500,000);
—Develop digital elevation mapping (1–2 foot contour intervals) within the MSCP planning area ($200,000);
—Develop updated detailed vegetation mapping within the MSCP planning area ($200,000);
—Provide funds for completion of conservation planning on the Colorado River Indian Reservation ($500,000);
—Provide funds to the California Department of Fish and Game, through the U.S. Fish and Wildlife Service, in support of the Natural Communities Conservation Planning Act requirements and requisite Scientific Review Panel ($200,000); and
—Provide funds for completion of the development of the Lower Colorado River Multi-Species Conservation Program ($500,000).

PILOT PROJECT FUNDING

It is respectfully requested that this suite of proposed LCR MSCP habitat conservation planning and data acquisition projects should be funded with an addi-

tional appropriation of $3.0 million to the U.S. Fish and Wildlife Service's Habitat Conservation Planning budget line item.

PREPARED STATEMENT OF THE COLORADO RIVER BASIN SALINITY CONTROL FORUM

This testimony is in support of funding for the Bureau of Land Management (BLM) for activities that assist the Colorado River Basin Salinity Control Program. The BLM budget, as will be proposed by the Administration, will support ecosystems. and watershed management. The activities needed to control salts being contributed from the BLM lands are a part of ecosystem and watershed management. Because the budgeting process lumps all activities together, we can only presume that there will be adequate dollars in the President's budget to move ahead with the water quality enhancement and protection programs needed in the Colorado River drainage to ensure that salts from public lands administered by the BLM are not, in excess amounts, contributing to the river system. Our analysis indicates that the BLM needs to specifically target the expenditure of funds in the amount of $5,200,000 for activities that help control salt contributions from BLM managed lands in the Colorado River Basin in fiscal year 2002.

Although the Forum has not been able to determine from limited budget documents how appropriated funds will be spent, we are encouraged by recent efforts by the BLM. A salinity coordinator for the basinwide program has been selected. Salinity coordinators in each of the state offices have been identified. There has been a meeting to help coordinate a basinwide effort that involved the basinwide salinity coordinator and the state representatives. This year the BLM has been charged by the Congress to prepare a special report as to how the Bureau is moving ahead with salinity control activities. It has been difficult in the past to determine how much funds and efforts were being expended by the BLM in the water quality program and they have been very general in their accounting for their accomplishments. The Forum hopes that when the BLM reports to the Congress as is required under S. 1211 (Public Law 106–459), which was signed into law November 7, 2000, that a better understanding of the BLM's efforts can be obtained. The success of the BLM in controlling erosion and, hence, salt contributions to the Colorado River and its tributaries is essential to the success of the Colorado River Basin Salinity Control Program and the adherence to water quality standards that have been adopted by the seven Colorado River Basin states and approved by the Environmental Protection Agency. Inadequate BLM control efforts will result in very significant additional economic damages to water users downstream. The Forum submits this testimony in support of adequate funding so that the BLM programs can move ahead at a pace that is needed to meet these water quality standards.

OVERVIEW

The Colorado River Basin Salinity Control Program was authorized by Congress in 1974. The Title I portion of the Colorado River Basin Salinity Control Act responded to commitments that the United States made, through a minute of the International Boundary and Water Commission, to Mexico with respect to the quality of water being delivered to Mexico below Imperial Dam. Title II of the Act established a program to respond to salinity control needs of Colorado River water users in the United States and to comply with the mandates of the then newly legislated Clean Water Act. Initially, the Secretary of the Interior and the Bureau of Reclamation were given the lead federal role by the Congress. This testimony is in support of funding for a portion of the Title II program.

After a decade of investigative and implementation efforts, the Basin states concluded that the Salinity Control Act needed to be amended. Congress revised the Act in 1984. That revision, while keeping the Secretary of the Interior as lead coordinator for Colorado River Basin salinity control efforts, also gave new salinity control responsibilities to the Department of Agriculture and to the Bureau of Land Management. Congress has charged the Administration with implementing the most cost-effective program practicable (measured in dollars per ton of salt removed). The Basin states are strongly supportive of that concept, in addition to proceeding to implement their own salinity control efforts in the Colorado River Basin.

Since the Congressional mandates of nearly two decades ago, much has been learned about the impact of salts in the Colorado River system. Reclamation recognizes that the damages to United States' water users alone is about $.5 billion per year.

The Colorado River Basin Salinity Control Forum (Forum) is composed of Gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The Forum has become the seven-state coordinating body for inter-

facing with federal agencies and Congress to support the implementation of the program necessary to control the salinity of the river system. In close cooperation with the Environmental Protection Agency (EPA) and under requirements of the Clean Water Act, every three years the Forum prepares a formal report analyzing the salinity of the Colorado River, anticipated future salinity, and the program necessary to keep the salinities at or below the levels measured in the river system in 1972.

In setting water quality standards for the Colorado River system, the salinity concentrations measured at Imperial, and below Parker, and Hoover Dams in 1972 have been identified as the numeric criteria. The plan necessary for controlling salinity has been captioned the "plan of implementation." The 1999 Review of water quality standards includes an updated plan of implementation. The level of appropriation requested in this testimony is in keeping with the agreed to plan. If adequate funds are not appropriated, state and federal agencies involved are in agreement that the damage from the high salt levels in the water will be even more widespread in the United States and Mexico.

JUSTIFICATION

The BLM is, by far and away, the largest land manager in the Colorado River Basin. Much of the land that is controlled and managed by the Bureau of Land Management is heavily laden with salt. Past management practices, which include the use of lands for recreation; for road building and transportation; and for oil, gas, and mineral exploration have led to man-induced and accelerated erosional processes. When soil and rocks heavily laden with salt erode, the silt is carried along for some distance and ultimately settles in the streambed or flood plain. The salts, however, are dissolved and remain in the river system causing water quality problems downstream.

The Forum believes that the federal government has a major and important responsibility with respect to controlling pick-up of salt from public lands. Congress charged federal agencies, including the BLM, to proceed with measures to control the salinity of the Colorado River, with a strong mandate to seek out the most cost-effective options. It has been determined that BLM's rangeland improvement programs can lead to some of the most cost-effective salinity control measures available. These salinity control measures may be more cost-effective than some now being considered for implementation by the Bureau of Reclamation and by the Department of Agriculture. They are very environmentally acceptable, as they will prevent erosion, increase grazing opportunities, increase dependable stream runoffs, and enhance wildlife habitats.

Through studying hundreds of watersheds in the States of Utah, Colorado, and Wyoming, consortiums of federal and state agencies, including the BLM, have selected several watersheds where very cost-effective salinity control efforts could be implemented immediately. In keeping with the Congressional mandate to maximize the cost-effectiveness of salinity control, the Forum is requesting that the Congress appropriate and the administration allocate adequate funds to support the Bureau of Land Management's portion of the Colorado River salinity control program as set forth in the adopted plan of implementation.

BLM has not had a history of adequately reporting its efforts, the associated expenditures and its accomplishments with respect to Colorado River salinity control. Legislation passed last year, S. 1211, will require the BLM to report its program for salinity control to the Congress. The Forum supports this requirement.

DETAILS CONCERNING THE REQUESTED APPROPRIATION

After conferring with BLM officials, the Forum believes there needs to be spent in fiscal year 2002, by the Bureau of Land Management, $5,200,000 for salinity control. We are particularly concerned that the appropriation titled Management of Lands and Renewable Resources is adequately funded. The Forum also requests that a specific amount, $800,000, be marked for the Colorado River Basin Salinity Control Program as has been the direction from the Subcommittee in the past.

The Forum believes that although it is commendable for the administration to formulate a budget that focuses on ecosystems and watershed management, it is essential that funds be targeted on specific subactivities and the results of those expenditures be reported; this is necessary for accountability and for the effectiveness of the use of the funds. The Forum requests that the Subcommittee require meaningful accounting by the Bureau of Land Management in such a way that the results of their salinity control activities in connection with the expenditures of funds can be reviewed and measured.

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF MUSEUMS, THE ASSOCIATION OF AMERICAN UNIVERSITIES, THE SOCIETY FOR HISTORICAL ARCHAEOLOGY, THE SOCIETY FOR AMERICAN ARCHAEOLOGY, AND THE NATIVE AMERICAN RIGHTS FUND

Mr. Chairman and members of the Subcommittee: I am Jason Hall, Director of Government and Public Affairs for the American Association of Museums, presenting written testimony on behalf of a consortium consisting of the American Association of Museums, the Association of American Universities, the Native American Rights Fund, the Society for American Archaeology, and the Society for Historical Archaeology.

As you know, Section 10 of the Native American Graves Protection and Repatriation Act (Public Law 101–601—"NAGPRA") authorizes the Secretary of the Interior to "make grants to Indian tribes and native Hawaiian organizations for the purpose of assisting such tribes and organizations in the repatriation of native American cultural items" and to "make grants to museums for the purpose of assisting the museums in conducting the inventories and identification required under sections 5 and 6." While we appreciate the Congress and the President agreed in the Interior bill to provide funding of $2.472 million for fiscal year 2001 to allow the statutorily-mandated repatriation process to proceed, we respectfully urge Congress to increase the appropriation to $5 million for fiscal year 2002. We present the following reasons in support of this request.

As you are aware, NAGPRA is remedial legislation. Congress enacted the law in 1990 in large part to assure that Native American remains and funerary and other objects retained by the federal government and museum community are returned under the law to appropriate tribes and organizations for reburial or other appropriate treatment. As remedial legislation, NAGPRA will not remedy the problem Congress sought to resolve unless adequate dollars are appropriated so that tribes and museums can complete the repatriation process—which is now under way but which necessarily proceeds slowly in many cases because of essential museum-tribe consultation and other factors. Repatriation is a high priority of the museum and tribal communities, which do not have adequate funds to do the necessary work required by NAGPRA.

Since repatriation is the subject of federal legislation as well as regulations and administrative guidelines, the U.S. Government has a trust responsibility to Indian tribes and their members in the area of repatriation. This trust responsibility imposes strict, binding fiduciary standards on the conduct of executive agencies, here the National Park Service and the Department of the Interior, in its treatment of tribes in repatriation matters. Adequate funding for tribes, museums and universities in necessary to carry out the statutory mandates of Congress.

At the same time, it is clear that the communities and sovereign Indian tribes represented by the consortium have been called upon to take a much increased role in implementing Public Law 101–601 in the past several years, as the mandated summaries and inventories of museum holdings were largely completed by museums and sent to the tribes in mid-November, 1993, and mid-November, 1995, respectively. Activity has intensified immensely in recent years and will continue to do so as the number of actual repatriations continues to increase. The consortium's testimony provides information on how the requirements of the law are creating significant costs for our communities and seeks your support for funding for the grant program authorized in the law, so that we can continue to comply with it in a timely and responsible way. Let me start by addressing in generic terms the needs of the museum community. In order to comply with Public Law 101–601, museums have to engage in activities falling into four categories: (1) preparation of inventories, in the case of human remains and associated funerary object, and written summaries, in the case of unassociated funerary objects, sacred objects and cultural patrimony; (2) notification and consultation with Native American groups and visitation by those groups to museum collections; (3) research to identify cultural affiliation of human remains and objects; and (4) repatriation.

To prepare the inventories of human remains and funerary objects which were due by November 16, 1995, museums have needed to: physically locate every item within the museum's storerooms; locate and review existing records to compile information necessary to determine whether a funerary object is "associated" or not, and to determine the cultural affiliation of the objects; catalog any remains ad objects that are not catalogued; document (e.g., measure and photograph) and analyze the human remains and funerary objects; and compile an inventory of human remains and funerary objects containing the information required under Public Law 101–601, including cultural affiliation. The delay in promulgation of the final regulations, and the late start and low level of grant funding for repatriation grants to

the tribes and museums, have slowed the process such that a significant number of museums were not able to prepare inventories by the November 16, 1995 deadline, despite timely and continuing good faith efforts, and had to appeal for extensions.

With respect to unassociated funerary objects, sacred objects and cultural patrimony, museums were required to and did, prepare a written summary by November 16, 1993 rather than an itemized inventory of their collections. Nevertheless, many museums needed to undertake many tasks similar to those noted above in order to collect the required information. Throughout all of this, museums have needed to consult with native American tribes which might have an interest in the objects. The time and funds spent on consultation with Native American peoples varies according to the physical proximity of the museum to the particular group.

Once the inventory and written summary are complete, the museum must identify the tribal representatives authorized to accept repatriable objects and formally notify those representatives. Tribal representatives must travel to the museums to examine the objects and consult with the museum. Remains and artifacts must be packed and shipped to the appropriate Native American group. During this process, disagreements may arise as to the disposition of items covered by Public Law 101–601, and these issues must be resolved.

Let me turn to some specific cases. On December 6, 1995, the Senate Committee on Indian Affairs held an oversight hearing on the implementation of NAGPRA. Final NAGPRA regulations, with some sections still incomplete, were published two days prior to the hearing. Two years later, the Interior Department published an interim rule on one of those incomplete sections, the civil penalties section. But as of April 2001, there have been no final regulations issued on the three remaining sections (future applicability, culturally unidentifiable remains, and unclaimed items from Federal or tribal lands.)

Representatives from the National Park Service, the NAGPRA Review Committee, three affected tribes, and a witness representing both the American Association of Museums and an affected museum, testified about compliance with the law. NPS witness Katherine Stevenson noted that the NPS had made 83 NAGPRA grant awards totaling $4.37 million since the beginning of the program, but that over that time, they had received 337 grant proposal requests totaling nearly $30 million, and she conceded that the Interior Department's $2.3 million request for fiscal year 1996 did not meet the valid needs demonstrated in the grant applications from museums and the tribes. Since that 1995 testimony, the situation has remained much the same in terms of funding needs. As of April 2001, the NPS has been able to make 311 NAGPRA grant awards totaling $19.05 million since the beginning of the program, but during that time, it has received well over 700 grant proposals totaling more than $47.69 million, and funding has essentially been flat at $2.3 million, and more recently $2.5 million annually. The $2.5 million appropriation continues to fall short of valid needs.

The witness representing museums in 1995, William Moynihan, President of the Milwaukee Public Museum, testified about the effort of his museum to comply with the law. He noted that the "Milwaukee Public Museum will have committed well in excess of half a million dollars by 1997 to deal with the legislation. Existing staff in our Anthropology/History Section have been reallocated from their normal duties to NAGPRA-related activities, a large team of volunteers assembled, and trained student interns and work-study students hired." He noted that the Museum has been collecting anthropological and archaeological materials for over 100 years, that included in the holdings are the remains of 1,500 individuals, and that the collections are not computerized. Despite these difficulties, the museum had completed a physical inventory of over 22,000 Native American ethnographic objects, and a preliminary inventory of 50,000 archaeological objects; sent summaries to 572 tribes and native Alaskan and Hawaiian groups; followed up with hundreds of calls to tribes; and taken a variety of other actions to comply with the law.

On a broader scale, we have results from the American Association of Museums' 1994 repatriation survey of 500 of its member institutions, including all of its natural history museums and a selected sample of its art and history museums. The survey response rate was 43.6 percent. Of those responding, 76 percent of the natural history museums, 43 percent of the history museums and 23 percent of the art museums had Native American objects. Those respondents—a little more than 200—alone had almost 3.5 million objects which fell into NAGPRA categories, and that does not include 15 responding natural history museums, including 3 large institutions, which could not give an estimate of their NAGPRA-related holdings. An overwhelming number of these institutions noted how lack of final regulations and of NAGPRA grant funding had hindered or prevented their repatriation efforts.

Estimating aggregate costs is not possible from the survey data, given the great disparities in how institutions calculated their own costs. It is clear, however, that thousands of institutions across the country are affected to some degree by NAGPRA costs.

The Native American community is also incurring major expenses in attempting to comply with the requirements and deadlines of NAGPRA. As you know, the repatriation process involves sacred items and, most importantly, human remains, not just artifacts. In this light we must approach the funding issues related to the Act. A 1994 repatriation survey done by the National Congress of American Indians indicated that some tribes had received hundreds of NAGPRA summaries from museums, and that the need for outside funding to hire experts to help them analyze these materials and subsequent NAGPRA inventory materials is virtually universal. From the dozens of responses to the survey, it is apparent that most tribes do not have the capacity to comply with the Act. For example, the Shingle Springs Rancheria/Miwok/Maidu tribe reported, "Our tribe has been well versed in the purpose and intent of NAGPRA. The response from museums {the sending out of surveys to the tribes at the November 1993 deadline} has been astounding. We have received over 100 notices. However, we cannot respond or take advantage because of lack of funds." This tribe estimated its financial needs at approximately $35,830. And at the December 1995 Senate oversight hearing, Cecil Antone of the Gila River Indian Community noted that the Community had received over 150 letters from various museums and federal agencies about the disposition of NAGPRA-related collections. The needs of the tribes vary depending on the number of responses they have received, their present and future ability to comply with the Act, and what, if any, experience their tribe has had with projects of this sort. In fact, tribal responses estimating funding needs ranged from "unknown" to "very much" to "$2 million."

In October 1990, the Congressional Budget Office estimated NAGPRA implementation costs to museums of $40 million and to tribes and native Hawaiian organizations of $5–10 million over 5 years, assuming that museums and federal agencies hold between 100,000 and 200,000 Native American remains and that the cost to inventory and review each remain would be $50–150. Those estimates now appear to be very low in light of our experience since that time. As a result, viable tribal and museum request for grants continue to exceed available funds by a large margin. In addition, museums cannot repatriate to the tribes until appropriate notices go into the Federal Register, and there is currently a backlog of about 150 such notices at the NPS, about a year's worth, due to lack of staff to process them.

In closing, let me add that while the museums and tribes must have this grant program funded simply to comply with the requirements of NAGPRA, it is also true that the grant program will accomplish far more than compliance. Museums and tribes have discovered that the exchange of data required under NAGPRA is yielding new information that helps us all. In the process of identifying sensitive cultural items, museums are learning much more about their entire collections. Delegations of elders and religious leaders have supplied valuable new insights about many objects in the repositories they have visited, and in turn they are discovering items of immense interest to their own tribes, the existence of which had been unknown in recent generations. Few items in these categories are being sought for repatriation; it is simply that access to the collections has led to much better mutual understanding and exchange of knowledge. While the repatriation process will eventually end as the transfer of materials is completed, the long-term relationship created between museums and tribes will continue.

Thus, this funding will not just support expenses mandated by law. It is also an excellent investment that serves the public interest now—and will continue to pay dividends in the future—through more accurate and respectful exhibits and education programs that are the fruits of long-term collaborations.

Finally, we respectfully urge you to keep in mind that we are talking in large part about the reburial of the remains of human beings, and that under a reasonable and dignified standard, such repatriation and reburial should occur with all due haste. Certainly the United States government has acted urgently with due regard to repatriation of remains of American soldiers killed in foreign wars or missing in action. Native American repatriation and reburial should be treated with the same priority and dignity.

The consortium appreciates this opportunity to testify on this issue.

PREPARED STATEMENT OF PRESERVATION ACTION

Preservation Action respectfully submits this testimony in support of full funding for the Historic Preservation Fund at $150 million as part of the fiscal year 2002 Department of Interior Appropriations Bill.

America's historic resources are as diverse as its citizenry. Rural settlements and their attendant agricultural structures dot the landscape of the far west. Lighthouses stand sentinel on our shorelines, while county courthouses tower above the plain. Small town main streets tell of an earlier era. Dense urban districts and large industrial complexes offer the historic face of our larger cities. The scenic byway and the ubiquitous train station, the tiny house and the multi-story apartment building, all have a story to tell. And now, the relics of a more recent past—cold war military installations, the centers of pioneering air and space development, and the mid-century suburb—are achieving significance as well.

Through the National Historic Preservation Act of 1966, the Federal government has made a commitment to preserve and maintain this patrimony, in all its diversity, for generations to come. But, historic preservation is more than a celebration of the past, it is an economic engine for the future. Historic preservation activities rebuild and reuse existing infrastructure, revitalize main streets, restore the tax base and generate tourism. Preservation has transformed abandoned warehouse districts into multi-use residential and entertainment centers, struggling commercial strips into retail destinations, and abandoned houses into thriving neighborhoods. In an age of rapid development it is a way to harness economic energy and put it to work for existing communities. It is the answer to growth's unintended consequences.

Acknowledging the important role that preservation plays in the health and welfare of our communities, Congress has asked each state, through its State Historic Preservation Officer and many Tribes through their Tribal Preservation Officers, to work in partnership to achieve the goals of the Historic Preservation Act. Indeed, it created the Historic Preservation Fund (HPF), endowed it with Outer Continental Shelf Oil Lease proceeds, and authorized it at $150 million annually. This funding, matched by the States and Tribes, is to carry out the mandates of the Act including 106 Review of federal actions and their consequences for historic resources; certification of rehabilitation activities eligible for receipt of the Historic Rehabilitation Tax Credit; survey and documentation of historic resources; and technical assistance (architectural, planning, archeological, etc.) to local communities, state and federal agencies and individuals.

Unfortunately, until last year, the Historic Preservation Fund had rarely received even half of its authorized amount. Indeed, when adjusted for inflation and cost-of-living considerations, the Historic Preservation Fund appropriation had declined markedly. Further, of the amount appropriated, less than half went to the partners, the States and Tribes. This meant that year after year the States and Tribes could do little more than meet their base obligations; they made no big plans.

In 2001, Congress appropriated $94 million to the HPF—$52 million to States and tribes—a level that for the first time in decades, gave States and Tribes the money they needed to do the job they have been asked to do by Congress. Preservation Action considers this $94 million a long-awaited and much-deserved course correction that brings the HPF closer to its appropriate funding level. We ask you to build on this foundation and in 2002 appropriate the HPF's full authorized amount of $150 million.

From our perspective, there is no component of the program that better illustrates the power of the federal-State partnership than the Historic Rehabilitation Tax Credit. This tax incentive program leveraged more than $2.6 billion in private investment for historic resources in 2000. Tax Act projects rehabilitated or created 17,270 housing units. It created 41,535 jobs. On the ground these numbers translate into comfortable high-quality places for people of average means to live. They mean that boarded up and vacant buildings are restored and re-opened as viable business enterprises and are put back on the tax rolls for the benefit of the entire community. They mean that the federal government, working with its partners, quadrupled its investment, put people to work, and repaired the fabric of our neighborhoods. The tax act program carries out the spirit of the National Historic Preservation Act in concrete ways.

However, the tax act program, indeed preservation activities of all kinds, can not work without the technical support, administrative commitment, time and effort of the State and Tribal Historic Preservation Offices. We are a nation experiencing tremendous growth but facing the challenge of creating a thriving future that does not wholly compromise our natural and historic resources. If we are to be successful, we must make preservation an integral part of how we do business in all our com-

munities. We ask that you fulfill the federal commitment to historic preservation by fully funding the Historic Preservation Fund in 2002 at $150 million.

PREPARED STATEMENT OF THE SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION

The Society for Animal Protective Legislation urges the Senate Committee on Appropriations' Subcommittee on Interior and Related Agencies to appropriate an additional increase of $10 million for the United States Fish and Wildlife Service Division of Law Enforcement, an additional $8.5 million for the Clark R. Bavin National Fish and Wildlife Forensics Laboratory, $10 million for the Multinational Species Conservation Fund, an additional $1 million for manatee protection, and appropriate protection for wild horses, in fiscal year 2002.

U.S. FISH AND WILDLIFE SERVICE DIVISION OF LAW ENFORCEMENT

The Society for Animal Protective Legislation urges significant increased funding to enable the Law Enforcement Division of the U.S. Fish and Wildlife Service to undertake its important, expanding work. We urge this distinguished Subcommittee to recognize the critical need for a full complement of Special Agents to contend with the major criminal efforts of organized poachers, smugglers and dealers who are greedily exerting pressure on wildlife, which ultimately will drive many species to extinction. Therefore, we respectfully request an additional $10 million for wildlife law enforcement.

The amount proposed in the President's budget would not adequately meet the basic needs of the Division, which is currently undergoing a three-year rebuilding effort in order to get back to the number of Special Agents it needs—253. The Service is currently at 197 Special Agents, under 80 percent of its full, necessary staff level.

Further, the Service's Division of Law Enforcement must ensure adequate inspections at all appropriate ports of entry in the United States. Port inspectors play an invaluable role in catching wildlife profiteers who try to smuggle wildlife into and out of the country. As the wildlife trade becomes more complex scientifically, as in the well-known caviar cases, dedicated, well-trained inspectors must be employed. In fiscal year 2000, over 87,000 shipments were inspected in the United States. Congress should ensure an appropriation that prevents the number of port inspectors from ever falling below 94, and that supports port inspectors with a full, operational budget.

THE CLARK R. BAVIN NATIONAL FISH AND WILDLIFE FORENSICS LABORATORY

The Service's forensics lab is uniquely capable of providing assistance in the prosecution of wildlife crimes. The lab analyzes teeth, claws, hairs, feathers, tissues, blood, and other wildlife samples to determine species of origin and connect wildlife and suspects to the scene of the crime. This lab has always been on the cutting edge of wildlife prosecutions and must be funded adequately to fulfill its vital roles.

The laboratory operated on a budget of $2.8 million in fiscal year 2001. We urge the Committee to increase that lab appropriation to $3.3 million for fiscal year 2002 to cover personnel costs and operating expenses. Without necessary funding the lab will be hampered in its ability to function properly and to its fullest capability.

Additionally, the laboratory has begun a rehabilitation and expansion project to acquire the necessary additional lab space and staff. The estimated total expansion project cost is over $24 million spaced over the next six years, if the project takes that long to complete. We respectfully urge the Committee to appropriate $8 million in fiscal year 2002 toward this rebuilding project. Appropriating these funds earlier on in the life of the project will reduce the overall projects costs. Of equal importance, wildlife criminals will not wait until 2003 or 2005 to engage in their illegal profiteering—the Clark R. Bavin National Fish and Wildlife Forensics Laboratory must be able to address the breadth of wildlife crimes without delay.

MULTINATIONAL SPECIES CONSERVATION FUND

Since 1988, the United States has shown its steadfast commitment to global conservation efforts by legislatively creating a series of funds to assist in wildlife protection in all regions of the globe. The African Elephant Conservation Act, the Asian Elephant Conservation Act, the Rhinoceros and Tiger Conservation Act, and, most recently, the Great Ape Conservation Act, are vital tools to prevent these species from declining further and, in some cases, going extinct. The Administration Budget for fiscal year 2002 provides for total funding of $3,243,000 for implementation of

these funds. The Society for Animal Protective Legislation respectfully requests that this amount be increased to a total of $10 million.

The African Elephant Conservation Act has provided important funding for elephant conservation projects across Africa. For decades, poachers and smugglers exploiting the global ivory trade have targeted African elephants. Increasingly, elephants are at great risk not only for ivory, but also for their meat, which is consumed as "bushmeat," and are increasingly involved in human—elephant conflicts. Vital conservation projects that have received funding under this Act include: immunocontraception research as a means of non-lethal population control, anti-poaching assistance, acoustic monitoring of forest elephants, and programs exploring the interrelationships of humans, people, and the protection of their crops. As the human population in Africa continues to expand, and elephants remain under constant threat for a renewed worldwide ivory trade, additional funding is sorely needed.

The Asian Elephant Conservation Act has funded similar projects in Asia where the highly endangered Asian elephants barely cling to existence. Already this year, elephants have been poached in India's Corbett Tiger Reserve for their ivory. The Asian elephant Conservation Act has recently provided valuable grants to the Forest Department of Assam for construction of anti-poaching camps, to the Wildlife Protection Society of India for investigative work into the poaching of elephants in India and the illegal ivory trade, and to the Wildlife Trust of India to provide elephant reserve field staff with anti-poaching equipment.

The Rhinoceros and Tiger Conservation Act provides essential financial assistance to protect the world's remaining five rhino species and tiger subspecies. Rhinos have been historically poached for their horns, which are used in traditional Asian medicines, while tigers have been exploited for their valuable skins, bones and other body parts. In the last century, it is estimated that the total number of all wild tigers scattered across their range has plummeted to 5,000 animals. Funding under this Act recently has contributed to the equipping and operating of anti-poaching patrols, studies of population dynamics using DNA technology, establishing conservation education programs in rhino and tiger range states to increase awareness about these species, rhino translocations, and studies of the illegal trade in tiger parts. Without these projects and others in the future, these species will likely disappear within our lifetimes.

The Great Ape Conservation Act appropriately recognizes the growing threat of the trade in bushmeat and the habitat decimation perpetrated on great apes by timber companies and other extractive industries. Chimpanzee, bonobo, gorilla, orangutan and gibbon populations have declined substantially and there is a serious threat to their long-term survival. Grants from this fund enable conservation and anti-poaching projects to be established and effectively implemented to the benefit of these highly endangered ape species. Additionally, grant money could help establish collaborative projects to assist people in the range states of these animals to find alternative sources of protein and address other issues of land competition between wildlife and people.

Together the money appropriated under the Multinational Species Conservation Fund may establish or finance the operations of programs that directly and indirectly contribute to the survival of entire species. The Congress should increase funding for these programs accordingly.

MANATEE PROTECTION

Increased funding is badly needed for on-water law enforcement officers in order to protect manatees. We urge this Subcommittee to appropriate an additional $1 million over the President's budget for manatee protection and enforcement of speed zones in manatee sensitive areas throughout the State of Florida.

The U.S. Fish and Wildlife Service has recognized the problem of increased manatee deaths and injuries from collisions with boats and has deployed on-water enforcement teams to patrol areas where manatees are frequently seen and the risk of watercraft collisions is high. Unfortunately, a lack of resources makes it difficult for the Service to keep up a consistent presence on the water. It is imperative that these patrols not only continue but increase in frequency. The mortality numbers for 2001indicate an urgent need for a further increase of enforcement efforts by the Fish and Wildlife Service. Additional resources will enable the Fish and Wildlife Service to continue working to reduce the number of human-caused manatee mortalities.

THE WILD HORSE AND BURRO ACT

In 1971, Congress charged the Bureau of Land Management (Bureau) with preserving America's wild horses. The Wild Horse and Burro Act states that "wild free-roaming horses and burros are living symbols of the historic and pioneer spirit of the West . . . [and] shall be protected from capture, branding, harassment or death."

During fiscal year 2001, the Bureau of Land Management's Wild Horse and Burro Program received a substantial increase to its annual operating budget. This increase was to be used to implement BLM's four-year strategic plan to achieve appropriate management levels in all herd management areas through increased round-ups of wild horses and burros. Increased round-ups of wild horses and burros are not justified, especially given BLM's refusal to do a complete programmatic evaluation to determine if an overpopulation problem exists. However, we do wish to ensure that the wild horses and burros that have been captured are well cared for and adopted into good homes.

In addition to the more traditional threats faced by wild horses and burros, which include habitat destruction, wildfires, and cattle ranching encroachment; wild horses are coming under pressure from the increasing demand for their meat as a result of the "mad cow" disease in Europe. The BLM documented that in 1999 hundreds of wild horses were sold into slaughter despite the congressionally mandated prohibition on such action.

It is because of the current pressure on wild horses and burros from decreasing habitat and mad cow disease that we urge this committee to include once again the following standard language in the fiscal year 2002 Interior Appropriations bill: "The appropriations made herein shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors."

PREPARED STATEMENT OF THE NATIONAL INDIAN EDUCATION ASSOCIATION

On behalf of the National Indian Education Association (NIEA) President, Carole Anne Heart (Lakota), and Board of Directors, I would like to thank Chairman Burns and Vice Chairman Byrd for the opportunity to submit testimony today on the President's fiscal year 2002 budget request. NIEA is the oldest and largest national organization representing the education concerns of over 3,000 American Indian/Alaska Native and Native Hawaiian educators, tribal leaders, school administrators, teachers, parents, and students.

Funding for Bureau of Indian Affairs (BIA) schools and Department of Defense schools is the sole responsibility of the Federal Government while public education is a combination of state and federal resources. Local Education Agencies (LEAs) and their surrounding communities have the ability to pass bonds in order to build or repair local school buildings. Tribal and BIA schools, on the other hand, must rely on the federal government to ensure their academic and construction needs are met. The extent to which the federal government has assumed this responsibility can be exemplified in the backlog of construction and repair/renovation needs now exceeding $800 million. The budget request this year, however, maintains a positive move to finally clear up the persistent backlog in Indian school construction and renovation needs in the Bureau of Indian Affairs education system.

DEPARTMENT OF INTERIOR

Bureau of Indian Affairs (BIA)

Within BIA's overall departmental framework are six categorical areas that contain education-related programs serving federally-recognized Indian tribes. These include: Tribal Priority Allocations; School Operations; Tribally Controlled Community Colleges; Special Programs and Pooled Overhead; and Education Construction. The following are the fiscal year 2002 President's budget request for each category (education programs only).

BIA category	Fiscal year		Difference
	2001 enacted	2002 request	
Tribal Priority Allocation	$49,685,000	$50,036,000	+$351,000
School Operations	488,418,000	504,015,000	+15,597,000
Tribally Controlled Community Colleges	38,118,000	39,118,000	+1,000,000
Special Programs/Pooled Overhead	15,598,000	16,039,000	+441,000

BIA category	Fiscal year		Difference
	2001 enacted	2002 request	
Education Construction	292,341,000	292,503,000	+162,000
BIA Education total	884,160,000	901,711,000	+17,551,000

Department of Interior, Bureau of Indian Affairs.—(+$273.4 million—Education programs only with increases shown over fiscal year 2001 enacted levels)

Tribal Priority Allocation (TPA).—(+ $18.7 million)

—*Adult Education*.—Increase from $2.5 million to $5 million. Adult Education continues to be one of the most underfunded areas despite the fact that these programs can greatly improve the economic situations of Indian adults who want to obtain their General Educational Development (GED) degrees. The BIA estimates that approximately 20,000 Indian adults participate in the program.

—*Johnson-O'Malley (JOM) Program*.—Increase from $17 million to $25 million. The JOM program provides supplemental educational services for 272,000 American Indian students in 23 states. NIEA recommends lifting the current moratorium that caps the number of participants.

—*Scholarships*.—Increase from $27.8 million to $35 million. This program provides undergraduate scholarships for American Indians. The needs of Indian students pursuing postsecondary education are often neglected, especially when critically-needed programs are cut or eliminated such as the Department of Education's Office of Indian Education Fellowship Program.

—*Tribally Controlled Community Colleges Supplements to Grants*.—Increase from $1.1 million to $2 million. These funds provide supplemental operations for tribal colleges such as policy development, curriculum additions, and general program operations.

—*Other Education Design*.—Increase from 1.4 million to $1.5 million

Other Programs.—School Operations (+ $130.8 million)

—*Indian School Equalization Program (ISEP) Formula*.—Increase from $331 million to $400 million. The ISEP program provides formula-based funding for 185 federally-operated and contracted schools serving 50,000 students. There are several types of schools funded with ISEP funds including BIA-operated, grant, and contract elementary and secondary schools.

—*ISEP Program Adjustments at $667,000*

—*Family and Child Education (FACE) Program*.—Increase from $12 million to $20 million. Currently there are 22 FACE sites serving 1,800 children and 1,800 adults from a total of 1,700 families in two settings which include home and school. The program serves an additional 3,200 children in grades K–3 by supporting teacher training in the High/Scope active learning curriculum which is implemented in the FACE Program and included in the School's Consolidated School Reform Plan.

—*Student Transportation*.—Increase from $36.3 million to $43 million. In SY1999–2000 the BIA-funded transportation cost is estimated to be $2.26 per mile with 14,363 miles (School Year 1999–2000) driven for day and boarding schools. According to the latest School Bus Fleet information, the national average for student transportation costs in school year 1993–94 was $2.94 per mile for public schools. Therefore, the BIA-funded schools, which are located primarily in rural, isolated areas, are at least $.78 below the national per mile average.

—*Institutional Disabled*.—Increase from $3.8 million to $5 million

—*Administrative Cost Grants*.—Increase from $43 million to $50 million. For SY 1999–2000, the Bureau projects there will be 127 contract/grant schools and 58 Bureau-operated schools. During fiscal year 1999, 5 schools converted to contract or grant status. The Bureau projects 6 schools will convert to contract or grant status in School Year 2000–2001 for a total of 127 contract/grant schools. An accurate level of need will not be known until the BIA releases its fiscal year 2002 budget request.

—Area/Agency T.S.—Increase from $7.4 million to $8 million.

—*Education Facilities Operations*.—Increase from $54.5 million to $90 million. In fiscal year 2001, this budget item transfers the maintenance portion to Facilities Improvement and Repair (FIR). In fiscal year 2000, the Bureau will provide funds for essential services for educational facilities consisting of 2,390 buildings (excluding quarters), containing approximately 17.9 million square feet.

—*Tribal Departments of Education*.—Fund at $3 million. This program is currently not funded. Sufficient funding should be provided to assist tribes in planning and developing their own centralized tribal administrative programs. This would be appropriate given the recent trend to convert more schools from BIA to Tribal control.

—*School Statistics*.—Increase from $700,000 to $800,000

—*Emergency Operations*.—Increase from $0 to $200,000

Tribally Controlled Community Colleges.—(+ $6.4 million)

—*Tribal Colleges*.—Increase from $38.2 million to $44.6 million. The proposed budget includes $43.5 million for Operating Grants, $114,000 for Technical Assistance Grants, and $977,000 for Endowment Grants.

Special Programs and Pooled Overhead.—(+ $7.4 million).

—*Graduate Scholarships*.—Increase from $1.3 million to $5 million. This program is the primary funding source for American and Alaska Native graduate students and is totally inadequate to help these individuals meet the costs of an advanced degree. For school year 1997–98, the actual unmet need was $5.7 million. During the 1996–97 school year, the program funded an estimated 378 students with an average award of $3,955. Because of reduced funding, scholarship awards are being drastically reduced while the demand for these limited scholarships increase. This program funds students in 27 states with 128 tribes represented. No other federal graduate level scholarship program, specifically for American Indian students, currently exists.

—*Postsecondary Schools*.—Increase from $14.3 million to $18 million. This includes Haskell Indian Nations University at $11 million and Southwest Indian Polytechnic Institute (SIPI) at $7 million.

Education Construction.—(+ $112.1 million)

—*Replacement School Construction*.—Increase from $141.2 million to $200 million. Full funding of replacement school construction would reflect President Bush's pledge to eliminate the construction backlog. Bush envisions eliminating the $923 million backlog in six years. NIEA recommends four. The replacement school construction program funds replacement of older, unsafe, and dilapidated schools on reservations. School replacement priorities are based on a new priority list of 13 schools, which is comprised of the last three uncompleted school schools from the old priority list published in 1993 and 10 new schools.

—*Education Facilities Improvement and Repair (FI&R)*.—Increase from $148.3 million to $171.2 million. The dollars moved from Operations and Maintenance are now included in the $171.2 million. This funding will be used to fund critical health and safety concerns at existing education facilities.

—*Indian School Construction Bonding*.—Fund at $30,000,000.

—*Employee Housing*.—Increase from $3.1 million to $3.5 million.

Institute of American Indian Arts.—(+ $2 million)

—*Increase from $4.25 million to $6.25 million*.—NIEA is concerned that proposed funding for the Institute of American Indian Arts (IAIA) is being terminated with the last year for appropriations in fiscal year 2001.This institution has been in existence for 35 years and is the only facility solely dedicated to the arts for American Indians and Alaska Natives. Their progress in becoming a four-year institution should not be impeded as they struggle to become a major cultural and educational institution for Indian people.

HUMAN SERVICES

—*Substance Abuse/Alcohol Education*.—Increase from $0 to $500,000

CONCLUSION

NIEA supports full funding for all Indian Education programs in the President's fiscal year 2002 budget request. Programs for American Indian and Alaska Native students have been underfunded for years with the results evident in low achievement scores, substandard facilities, and high dropout rates. As mentioned earlier, the federal government is responsible for only two school systems in the United States—those operated by the Department of Defense and those operated by the Bureau of Indian Affairs. Ideally, these two systems should be the "state of the art" when it comes to federal education policy and practice. The lack of a high quality federal commitment further exaggerates the already poor conditions that Indian students face in trying to obtain an education. With new programs likely to focus on accountability, Indian schools and communities will be hard pressed to meet the ever-increasing standards being proposed by the Bush Administration.

PREPARED STATEMENT OF THE SOUTHERN NEVADA WATER AUTHORITY

INTRODUCTION

It has long been said that the Colorado River is the lifeblood of the West. Today, the Colorado River supplies vital water and power resources for more than 20 million people in Arizona, California and Nevada.

Concerns have been raised about the reliability of these water and power resources following the U.S. Fish and Wildlife Service's 1994 designation of critical habitat for four endangered fish species in the Colorado River Basin.

In response, representatives of the U.S. Department of the Interior, Arizona, California, and Nevada, Native American tribes, along with various stakeholders and water and power agencies along the lower Colorado, have formed a regional partnership, which is developing a first-of-its-kind multi-species conservation program aimed at protecting sensitive, threatened and endangered species of fish, wildlife and their habitat.

The partnership formed a 35-member steering committee, which has been designated by the U.S. Fish and Wildlife Service as an Ecosystem Conservation and Recovery Implementation Team (ECRIT) under the federal Endangered Species Act. The steering committee has retained the services of professional facilitator and technical consultant teams to help develop a plan for the conservation program. The conservation plan is scheduled for completion in Fall 2002.

PROGRAM DESCRIPTION

The multi-species conservation program will work toward the recovery of listed species through habitat restoration and species conservation, and reduce the likelihood of additional species listings under the federal and California Endangered Species Act.

The MSCP planning area includes the historic floodplain of the lower Colorado River and reservoir full-pool elevations from Lake Mead to the Southerly International Boundary with Mexico. MSCP habitat restoration and preservation activities are intended to address the following habitat types: aquatic, wetland/marsh, riparian and upland desert fringe. It is the intent of the MSCP to re-vegetate native cottonwood-willow and mesquite trees in the floodplain, and remove the non-native salt cedar, or tamarisk, that has become established.

The MSCP will be implemented over a 50-year period. The long-term program is also intended to accommodate current water diversions and power production and optimize opportunities for future water and power development. This comprehensive program will provide long-term environmental compliance for participating federal agencies, pursuant to Section 7 of the federal Endangered Species Act, and non-federal agencies under Section 10. California Agencies will also pursue programs and actions to achieve compliance with California Environmental Quality and Endangered Species Acts.

Over the past four years, interim conservation measures (ICMs) have been developed and implemented to address the immediate critical needs for certain endangered species. ICMs benefiting the endangered razorback sucker, bonytail, and southwestern willow flycatcher were initiated.

PROGRAM DEVELOPMENT COST

Current, program development costs are projected at about $6.7 million over five years for planning needs and implementation of ICMs. A federal/non-federal cost-sharing agreement is in place for development of the program and implementation of interim conservation measures. The federal and non-federal participants shared program development costs on a "50/50" basis. Among the non-federal participants, the shares were distributed as follows: 50 percent of the non-federal share was borne by California, 30 percent by Arizona, and the remaining 20 percent by the State of Nevada.

PROGRAM IMPLEMENTATION

The MSCP will be implemented over the fifty-year period beginning in late–2002. However, MSCP proponents are desirous of implementing a series of "pilot projects" in order to begin evaluating potential habitat restoration and species conservation technologies within the planning area. Additionally, the pilot projects would be supplemented with species and habitat monitoring and research programs, providing the basis for a comprehensive adaptive management approach.

PROPOSED PLANNING & IMPLEMENTATION PILOT PROJECT DESCRIPTION

In order to complete the Lower Colorado River Multi-Species Conservation Program (MSCP) by Fall 2002, and support Reclamation's continued compliance with the 1997 biological opinion, the MSCP Steering Committee has identified several critically needed planning projects which, if developed, ensure overall comprehensiveness of the MSCP. These planning projects are necessary to accomplish the following:

—Provide additional or lacking species and habitat data, evaluations and analyses ($200,000);
—Provide critically needed groundwater and soils data ($200,000);
—Provide for the development of conservation opportunity area site suitability assessments ($500,000);
—Develop conceptual habitat restoration site designs for approximately six sites within the MSCP planning area ($500,000);
—Develop digital elevation mapping (1–2 foot contour intervals) within the MSCP planning area ($200,000);
—Develop updated detailed vegetation mapping within the MSCP planning area ($200,000);
—Provide funds for completion of conservation planning on the Colorado River Indian Reservation ($500,000);
—Provide funds to the California Department of Fish and Game, through the U.S. Fish and Wildlife Service, in support of the Natural Communities Conservation Planning Act requirements and requisite Scientific Review Panel ($200,000); and
—Provide funds for completion of the development of the Lower Colorado River Multi-Species Conservation Program ($500,000).

PILOT PROJECT FUNDING

It is respectfully requested that this suite of proposed LCR MSCP habitat conservation planning and data acquisition projects should be funded with an additional appropriation of $3.0 million to the U.S. Fish and Wildlife Service's Habitat Conservation Planning budget line item.

PREPARED STATEMENT OF THE WYOMING STATE ENGINEER'S OFFICE

Dear Chairman Burns and Ranking Minority Member Byrd: This statement is sent in support of fiscal year 2002 funding for the Bureau of Land Management (BLM) for activities that assist the Colorado River Salinity Control Program. The BLM budget will, we believe, support ecosystems and watershed management. The activities needed to control salts reaching the Colorado River system from lands managed by the BLM are a part of ecosystem and watershed management. Due to the BLM's budgetary process "lumping" all activities together, this request supports efforts in those ecosystem and watershed management that will enhance Colorado River water quality and accomplish salt loading reduction in the Basin.

The State of Wyoming is a member state of the seven-state Colorado River Basin Salinity Control Forum, established in 1973 to coordinate with the Federal Government on the maintenance of the basin-wide Water Quality Standards for Salinity. Based on analyses conducted by the Forum, our testimony specifically requests that BLM be directed to target the expenditure of $5,200,000 for activities to reduce salt loading from BLM-managed lands in the Colorado River Basin in fiscal year 2002.

The Forum is composed of gubernatorial representatives and serves as a liaison between the seven States and the Secretaries of the Interior and Agriculture and the Administrator of the Environmental Protection Agency (EPA). The Forum advises the Federal agencies on the progress of efforts to control the salinity of the Colorado River and annually makes funding recommendations, including the amount believed necessary to be expended by the USDA for its on-farm CRSC Program. Overall, the combined efforts of the Basin States, the Bureau of Reclamation, the Bureau of Land Management and the Department of Agriculture have resulted in one of the nation's most successful non-point source control programs.

The basin-wide water quality standards for salinity consists of numeric water quality criteria set for three Lower Colorado River stations and a Plan of Implementation that describes the overall Program and the specific salinity control projects that are being and will be implemented to remove sufficient salt from the River system so the salinity concentrations of the River's waters arriving at the three stations do not exceed the numeric criteria values. Under the provisions of the Clean Water Act, the water quality standards for salinity are reviewed at least once each

three years and the Plan of Implementations is jointly adjusted and revised by the States and involved Federal agencies, including representatives of the Bureau of Land Management, to ensure continuing compliance with the numeric criteria for salinity.

The success of the BLM in controlling erosion and the resultant salt contributions to the Colorado River system is essential to the success of the Colorado River Basin Salinity Control Program and compliance with the water quality standards adopted by each of the seven Colorado River Basin States and approved by the Environmental Protection Agency. Inadequate BLM control efforts will result in significant additional economic damages to water users downstream.

Congress has recently highlighted its interest in the efforts of the Bureau of Land Management in controlling salt loading from lands the agency manages within the Colorado River Basin. Section 2 of Public Law 106–459, enacted into law on November 7, 2000, states the following:

"The Secretary of the Interior shall prepare a report on the status of implementation of the comprehensive program for minimizing salt contributions to the Colorado River from lands administered by the Bureau of Land Management directed by section 203(b)(3) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1593). The report shall provide specific information on individual projects and funding allocation. The report shall be transmitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives no later than June 30, 2000."

The Basin States, like the Congress, are looking forward to the required report in anticipation of gaining a better understanding of how funding provided to the BLM has been used to assist this important basin-wide water quality program. We are hopeful that the preparation of this report will lead the BLM to conclude that it can provide a better accounting to its federal agency and state partners engaged in reducing salt concentrations in the waters of the Colorado River system.

At its recent October 2000 meeting, the Forum, in consultation with BLM officials, recommended that the U.S. Bureau of Land Management should expend $5,200,000 in fiscal year 2002 for salinity control. It is the Forum, and the State of Wyoming's request that the Management of Lands and Renewable Resources line-item be adequately funded. Further, we request that $800,000 of the amount appropriated to the Management of Lands and Renewable Resources line-item be marked for the Colorado River Basin Salinity Control Program. We gratefully acknowledge the support of this Subcommittee in making this mark in past years and make the same request again for the fiscal year 2002 amount.

This funding level is appropriate to reduce a growing "backlog" in meeting the pace of salt loading reductions necessary to avoid exceedance of the numeric salinity concentration criteria contained within the water quality standards for the Colorado River. Failure in maintaining the basin-wide standards could result in the imposition of state-line water quality standards and impair the Colorado River Basin States' ability to develop their Compact-apportioned water supplies. "Catch-up" funding in the future will require expending greater sums of money, increase the likelihood that the numeric salinity criteria are exceeded, and create undue burdens and difficulties for one of the most successful Federal/State cooperative non-point source pollution control programs in the United States.

The State of Wyoming greatly appreciates the Subcommittee's support of the Colorado River Salinity Control Program in past years. We continue to believe this important basin-wide water quality improvement program merits funding and support by your Subcommittee.

PREPARED STATEMENT OF THE NATIVE AMERICAN FISH & WILDLIFE SOCIETY

Mr. Chairman and Distinguished Committee Members: My name is Ken Poynter, and I'm the Executive Director of the Native American Fish & Wildlife Society (Society) and an enrolled member of the Passamaquoddy Tribe of Maine. I would like to thank you, on behalf of the Society, for the opportunity to provide testimony to the Appropriations Subcommittee on the Interior and Related Agencies. I will be requesting appropriations from the Department of the Interior, Bureau of Indian Affairs (BIA), Wildlife & Parks budget (under Other Recurring Programs) for continued funding at the organization's fiscal year 2000 level of $491,000 for fiscal year 2002.

The Society is a national non-profit organization dedicated to the sound management and prudent use of tribal fish and wildlife resources. The organization serves as a network among tribes throughout the country, including Alaska, and provides

training and technical assistance to tribes in natural resource enhancement, planning, research and management.

At this time, the Society includes a membership of 220 tribes (which consists of 64 Alaskan Native villages and non-profit corporations), over 2,000 individual members, numerous regional commissions, as well as other Native organizations. All of these various constituents are supportive of tribal fish and wildlife development and of the various programs and services provided by the Native American Fish & Wildlife Society.

The concept of the Society is based on the need for an organization to assume a leadership role to maintain the technical proficiency of tribal fish, wildlife and natural resource programs. Because of its organizational structure, the Society is able to efficiently respond to specific requests from tribes for technical assistance regarding the development, enhancement and wise use of their natural resources.

The Native American Fish & Wildlife Society represents a wealth of experience and information regarding management of fish and wildlife resources on Indian lands. Society members embody a diverse group of lay people, fishery biologists, wildlife biologists, foresters, conservation law enforcement officers, and land use managers and planners who currently manage tribal land bases throughout the country. Due to its structure and its proven track record the Society has evolved into one of the leading national Native organizations working in the area of tribal natural resource management.

Society members are involved in technical initiatives sponsored by the Society, the development of tribal fisheries, as well as wildlife and recreation management initiatives critical to the preservation and protection of tribal resources. In addition, the Society continues to respond to the needs of its members in the area of technical assistance, training and program support.

Through its evolution, the Society has focused and fine-tuned its ability to provide the necessary training seminars and individual tribal technical assistance at a cost-effective manner.

This claim is evidenced and supported by having had received three consecutive years (fiscal year 1997, fiscal year 1998 and fiscal year 1999) of clean, exception free audits. An accomplishment the organization is proud of and feels demonstrates its ability to maximize the benefit of the federal appropriation it receives in a pro-active and professional manner.

The Society's Technical Services office is responsible for responding to inquiries, along with the assessment, coordination and delivery of requested technical assistance (TA). The Technical Services Director has developed an informative and extensive national network of professionals who further enhance his ability to assist with requests received by his office. Due to his professional expertise, as well as the availability of an extensive in-house, natural resource library at his disposal, the organization has gained a reputation for its ability to provide timely and accurate information. In addition to direct tribal support, this department has assisted many federal, state and non-governmental agencies in their capacity to initiate and/or enhance their work with tribal governments.

In order to facilitate the transfer of information and provide essential forums that address important resource management issues, the Society coordinates and sponsors seven annual regional conferences, as well as one annual national meeting. Regional conferences generally address issues pertaining to the region, where as the national meeting brings the regions together providing an opportunity for participants to focus on pertinent national issues.

Recognizing the importance of education to build and enhance tribal resource management capacity, the Society has made a major commitment to filling this otherwise un-met need. Specifically, emphasis has been placed on providing periodic training to professionals working in the various disciplines related to tribal natural resource management. The Society continually provides support for periodic training seminars in each of its seven geographical regions.

These training sessions, as previously noted, have become a mainstay of the organization and are a good example of our effort to assist tribes in the area of natural resource management and protection. These funded education sessions provide Native resource managers, as well as others, opportunities to learn new management skills and techniques or refresh old ones and continue to represent, in most cases, the only occasion available to foster their knowledge.

Training sessions are identified and scheduled regionally by Society members. This method of identifying and scheduling trainings allows members to conduct sessions that they feel are most pertinent to their needs and that are held at the most convenient time and location. As a result of utilizing this form of training identification, sessions are generally regionally specific and collectively diverse.

In order to maximize financial resources and member benefits, the Society continues to identify and work with other entities as co-sponsors of these important training workshops. For example, in fiscal year 2000 over 24 separate training and/or educational sessions were conducted with a collective participation of over 1,600 individuals. This impressive accomplishment was made possible by working in conjunction with over 18 different partners. Although too numerous to list individually, the group included the U.S. Fish & Wildlife Service, U.S. Forest Service, Department of Agriculture, the University of Alabama, Colorado State University, individual volunteers and numerous tribes.

The following list contains the titles of some of the common seminars that have been conducted by the Society in the past: Hazardous Materials (Haz Mat) Awareness Level Training, Haz Mat Incident Command Training, Field Identification of Contaminants, Conservation Officer Hazardous Materials Recognition & First Responder, Wildlife Conservation on Indian Lands, Wildlife Diseases, Conservation Officer In-Service Training, Habitat Conservation Restoration and Management, Black Tailed Prairie Dog Management, Game Fish & Non-Game Management, Fish and Wildlife Management and Integrated Resource Management Planning.

To augment information disbursement and exchange, the Society publishes and distributes four quarterly newsletters, a comprehensive annual report, promotional publications, informational management brochures and other management reports, and publications to members and other interested parties. The aforementioned partnerships also provided opportunities to further maximize the federally appropriated funds received by the organization by covering a portion of the printing costs of some of these publications.

Recognizing that Native youth will someday become the Stewards of their tribal lands, the Society has developed a national award-winning summer program for Native Youth to help ensure that there will be educated, professional Native people available in the future to protect and manage tribal lands. This annual program, entitled the Native American Environmental Awareness Summer Youth Practicum (Youth Practicum) is designed to instill in its participants a respect for the natural environment, as well as to nurture their interest in pursuing natural resource management careers. Regions of the Society have taken the lead from the national program and have been sponsoring their own Summer Youth Practicums which brings higher levels of interest and attention for managing Natural Resources by Tribal members.

This unique national program was acknowledged and honored by the Department of the Interior in 1999 for its outstanding contributions in developing Native American youth as the natural resource managers of tomorrow. The Society's Youth Practicum Programs received the distinguished Conservation Service Award from the Department of the Interior.

The Youth Practicum brings thirty-five Native American youth together for two weeks of in-class instruction and hands-on field experience in virtually every aspect of natural resource management (NRM). Five students are selected from each region and brought to Colorado from all parts of the country. The Program's instructors and counselors are active Society members and volunteer their time to the program. Being Native themselves, as well as working professionals in some discipline of natural resource management, these volunteers serve as both instructors and role models.

The Society is proud to share data obtained from a 1998 survey of former Youth Practicum students, which clearly attests to the success of this renowned annual program. To date, over 270 students have received instruction in the fundamentals of natural resource management and environmental science. The survey, as well as personal contacts with former students, revealed that at least six former students have already graduated with degrees in some aspect of natural resource management. The survey had a 37 percent return and further revealed that at least 25 former students have earned post-secondary degrees, with one currently attending law school and specializing in environmental law. In addition, over 60 percent have completed some college work or are currently in college.

The information provided by the survey is strong evidence of the importance and positive impact this critical program has had on Native youth. It is also clear evidence that the program is successful and working as it was designed. To me, the most important and special event indicating its success occurred last year when one of the program's first students (having earned a degree in natural resource management and hired into a new position with the Bureau of Land Management) returned as a volunteer instructor and a second-generation role model. The Youth Practicum is one of the organization's most important and successful programs and will continue to receive priority allocation of budget funds from the organization's annual federal appropriation.

Once again, as in past years, the Society's intent is not to ask for additional funds to meet the increasing cost of the programs it has developed, but rather to again express our appreciation to the Subcommittee and our supporters for the faith they continue to show in our ability to accomplish our stated goals. Mindful of having to compete with tribes and other noteworthy Native organizations for limited federal funding, the Society identified the need for and established a permanent endowment.

The Society's goal is to raise sufficient funds to not only sustain the organization on an annual basis but also enable it to create a small tribal natural resource management grants program. To help expedite the realization of this important endeavor, the Society formed the Native American Fish & Wildlife Foundation (Foundation) to serve as the fund-raising arm of the organization. The Foundation continues to focus entirely on raising endowment funds, allowing the Society to concentrate on delivery of its programs and services.

The Society is currently the only national Native organization that provides technical assistance to tribes, federal, state and local governments, as well as others working in the area of tribal resource management. It is also the only national Native organization providing valuable training for, and in-direct support of, tribal natural resource management professionals. Society programs and services clearly provide a direct benefit to tribes and the lands they manage.

In light of the fact that there is a shortfall of federal funding available for tribal natural resource management activities, the Society considers itself a valuable resource positioned to support and assist tribes. The continued funding at the $491,000.00 level received last year would ensure that the Society is able to continue providing its beneficial services and assistance to tribes.

To reiterate our request to the Senate Appropriations Subcommittee on the Interior and Related Agencies, Society is requesting a Total of $491,000.00 for fiscal year 2002.

PREPARED STATEMENT OF THE METLAKATLA INDIAN COMMUNITY

The Metlakatla Indian Community is honored to provide this statement on the fiscal year 2002 budget for the Bureau of Indian Affairs and the Indian Health Service. A summary of our requests is:

—$16.4 million for the Metlakatla Indian Community health clinic and quarters
—Continued and increased funding for BIA law enforcement
—Authorize use of Law Enforcement funds for marine patrol equipment
—Eliminate the BIA and IHS contract support costs shortfalls

The Metlakatla Indian Community (Community is located on the Annette Islands Reserve in southeast Alaska, a land base of 87,000 acres. The Annette Island is accessible only by small floatplanes, but such access is often restricted by the weather conditions-particularly in the winter months. Providing essential services to a population of over 1,500 is severely impacted not only by our location but also the economic devastation of the Community. Due to the recent closure of our timber processing facilities and the marked drop in the fishing industry, the Community's unemployment rate has skyrocketed to the 85 percent range. Although the Community is aggressively pursuing alternative businesses, it will be several years before such ventures could conceivably bring about an economic vitality that would address the immediate needs we present below.

IHS BUDGET

Clinic and Quarters Construction.—For many years, the Metlakatla Community has sought funding to replace the Annette Islands Service Unit Health Center, which for some time has been inadequate to meet the service needs of our people. It has also become a safety risk to patients and employees. Because of the conditions of our buildings, we have not been able to meet the Joint Commission on Accreditation of Health Care Organizations standards. Since the health center is the sole source of health care on the Annette Islands Reserve, we have done our best to keep the buildings patched together enough to keep the doors open.

As you may know, we received fiscal year 2001 HHS funds through the Denali Commission for planning and design of our clinic. We are pleased to report that the design work for our 31,722 square foot clinic and 8 staff quarters is expected to be completed by the end of this calendar year and we will be ready to begin construction in fiscal year 2002.

You may recall that our Program Justification Document for the clinic and quarters was completed by the IHS in April 1995, but the project has been languishing since being identified on the list of approved projects in the IHS budget requests

to the Congress since that date. Originally, the PJD construction schedule estimated the target date for completion of the project as April 2000. Realistically, if our project receives construction funds of $16,354,000 in fiscal year 2002, we could have a new clinic and quarters by the end of fiscal year 2003.

Recommendation.—We respectfully request the Committee recommend $16.4 million fiscal year 2002 IHS Construction funds for Metlakatla's clinic construction needs.

BIA BUDGET

Law Enforcement.—The Community's law enforcement program is comprised of a small police force and a one-person fisheries enforcement patrol. In addition to the inherent difficulties associated with Indian reservation law enforcement (inadequate funding, poor equipment, insufficient detention facilities to name a few), there is no resident state or federal law enforcement presence on the Island. Thus, except for fisheries enforcement, under federal law the non-Indian residents and visitors are not subject to tribal criminal authority so that absent a crime taken seriously by state authorities, non-Indian criminal conduct is virtually free from enforcement. The following address some of the Community's law enforcement needs:

Marine Patrol.—The Fisheries Enforcement component is responsible for the offshore law enforcement within our maritime boundary that extends 3,000 feet offshore over the entire circumference of the islands, which is approximately 60 miles. There is no "down time" for fisheries enforcement since the various fisheries and dive fisheries-herring, salmon, halibut, sea urchin, geoduck, and sea cucumber-go year-round. Since we have not been able to fund more than a single, low-speed vessel and one officer to patrol the entire area, the principal beneficiaries resulting from the absence of fisheries enforcement are the non-resident charter fleet who profit from Metlakatla's resources but ignore our laws.

The Community is disappointed that in spite of the increased funding for BIA law enforcement, many of our unmet or underfunded law enforcement needs continue to remain unaddressed due to the allocation priorities established by the Bureau. For example, from the increases provided in fiscal year 1999 and fiscal year 2000, a portion was identified for replacement of police vehicles. However, the Bureau limited use of those funds to replacement of police sedans and SUV's with 100,000 miles or more, with no consideration for other types of vehicle needs tribes might have-such as our need for a patrol boat. We had to instead rely upon a DOJ COPs grant to purchase a smaller skiff, which has been inadequate for our needs but was all we could afford.

Personnel.—Another of our primary concerns is recruiting and retaining an adequate number of officers to properly staff Metlakatla's police force and marine patrol. We have not been able to meet the salary expectations of trained law enforcement personnel. There are also the additional factors of isolation, inadequate housing and high living costs for the Community to overcome when hiring. Unfortunately, the increases for BIA law enforcement have not significantly impacted our funding. As you may know, in fiscal year 1999, the Bureau dedicated $4 million of that year's increase for BIA Law Enforcement to hire uniform police officers-but only BIA-operated programs were eligible for these funds. In fiscal year 2000 we received an $85,000 increase to our base funding for our law enforcement but this amount did not do much more than address existing pay cost increases.

Recommendation.—The Metlakatla Indian Community strongly urges the Subcommittee to support an increase for the BIA Law Enforcement program. Within these funds, we respectfully request the Subcommittee to provide at least $300,000 to the Community so that we may adequately patrol the shores and protect the resources of the Community. These funds would be used to purchase the much needed larger vessel ($75,000–$100,000), hire additional manpower, and provide a support budget for the Fisheries Enhancement component.

CONTRACT SUPPORT COSTS

The Community hopes that the new Administration's budget request will include, and the Congress will provide, increases for BIA and IHS contract support cost funds. We also urge the continued funding of the BIA Indian Self-Determination Fund. We understand that the current estimated shortfalls in contract support costs are $25 million for BIA programs and $45 million for IHS. Therefore, we urge that Congress fund at least the amounts identified in the IHS and BIA budget requests for the Contract Support Cost Funds.

On behalf of the Metlakatla Indian Community, we appreciate the opportunity to provide our views to the Subcommittee regarding the Bureau of Indian Affairs and IHS budgets for fiscal year 2002.

PREPARED STATEMENT OF KAYENTA COMMUNITY SCHOOL, INC.

Ladies & Gentlemen: Kayenta Community School, Inc. is a Bureau funded school that was converted to a grant school under Public Law 100–297 in 1996.

The school has had student population between 175 and 500 in the past 10 years. The student enrollment would be higher except for inadequate school facilities that is outdated and in poor conditions.

A 7-member board that is elected under Navajo Nation election laws governs the school. The school is currently on the Federal Register and ranked as No. 13 and is on the BIA facility replacement plan for 2003.

We are requesting Congress to fund our school as follows:

—Administration—100 percent of administrative cost of $54 million.

—ISEP—$386 million.

Special Education—$3.7 million.

IRG (residential)—$2.9 million.

—Maintenance—21.18 percent increase for shortfalls.

—Facility—$802 million.

—Others—transportation—$44 million (4,000 per weighted student unit).

We welcome President Bush's proposal to fund FI&R to replace outdated facilities and $802 million for Facility Improvement and Repair backlog. We fully endorse President Bush's plans for local control and flexibility in school curriculum, innovative programs, etc., as well as accountability and high standards to ensure student success. We believe that parents should be fully involved in the education of their children so that no child is left behind.

INDIAN STUDENT EQUALIZATION PROGRAM

It has been difficult for Kayenta Community School to attract experienced teachers to work in the remote and isolated area. Teachers are subjected to lower salaries, poor housing, and poor educational facilities. As a result the school as with other schools on the Navajo reservation face turnover and recruiting problems. The ISEP program provides the basic instructional funding for BIA funded schools.

Limited resources and unsafe facilities due to under-funded programs have not been conducive to a positive learning environment. In fiscal year 2001, Congress agreed to increase ISEP funding by $14 million, which results in the funding level at $330.8 million.

We are recommending that Congress appropriate at least $362 million for ISEP programs in fiscal year 2002, which would put the student weight at approximately $4,000.00.

STUDENT TRANSPORTATION

The cost of transportation has increased considerably in the past two years. The cost of GSA vehicle rentals, fuel, maintenance and repairs have been costly due to the poor road conditions, distances traveled as well as being required to use leased vehicles, and certified bus drivers. The schools don't receive funding for extra-curricular activities, such as sports programs, field trips and transporting students for medical purposes.

We ask Congress to provide emergency funding to help us with shortfalls this school year, and fund student transportation at $3.00 per mile in fiscal year 2002. Also the formula needs to implement the cost of educational field trips, extra-curricular activities between schools, and the transportation of students with medical needs.

ADMINISTRATIVE COST GRANTS

Administrative Cost Grant is a formula based method created by Congress to calculate the amount of funds that should be provided a grant school board for administrative and indirect cost expenses incurred in the operation of BIA funded school programs. The amount of funding has decreased as new schools convert to tribal grant schools.

We ask congress to provide funding for the full 100 percent administrative Cost Grant formula, which we estimate at $54 million in fiscal year 2002.

FACILITY CONSTRUCTION AT KAYENTA COMMUNITY SCHOOL

Kayenta Community School is presently ranked number 13 in the Federal Register and is scheduled to begin replacement in 2003. We ask the Congress and the Administration to work together to fund the remainder schools on the priority list. The School has also asked for the Quarters to be replaced due to the unsafe conditions. These are needed for teachers who are non-Navajo and the remoteness. Qual-

ity housing would be an asset in teacher recruitment and retainment, which will assist in the improvement of student achievement.

In conclusion, we thank you for your attention in addressing these critical requests. We appreciate your support to our staff, community and Navajo Nation in providing quality educational programs for our children. We applaud your concern and your commitment to Indian Education as well as national education issues.

PREPARED STATEMENT OF THE NORTHWEST INDIAN FISHERIES COMMISSION

On behalf of the Northwest Indian Fisheries Commission member tribes, I want to thank the Subcommittee for the opportunity to present this written testimony on our fiscal year 2002 fisheries and habitat management needs that fall within the Bureau of Indian Affairs budget.

SUMMARY OF FISCAL YEAR 2002 APPROPRIATIONS REQUEST

The NWIFC generally supports the enacted fiscal year 2001 appropriation levels. However, without a firm budget request to review, we are uncertain of exact funding levels. We request funding and direction which will achieve the following for fiscal year 2002:

—Support for the $6.8 million western Washington tribal shellfish management, and enforcement funding request to implement tribal treaty rights through the further establishment of tribal shellfish programs;

—Continued support of the existing $3.0 million Bureau of Indian Affairs, Forest Development, Woodland Management, Northwest Forest Plan, "Jobs in the Woods" Initiative line item and from this amount a continued earmarking of $400,000 for the Wild Stock Restoration Initiative;

—Support the base funding level of $3.048 million for the Timber-Fish-Wildlife Agreement, and increase this amount by $1.0 million to implement tribal obligations under new state and private forest practices, rules and regulations pertaining to ESA obligations;

—Support, at a minimum, existing funding levels within the Bureau for Trust Responsibility, Tribal Priority Allocation, and Self Governance that pertain to Fisheries Management and U.S.-Canada Pacific Salmon Treaty at fiscal year 2001 levels;

—Provision of Contract Support Funding at 100 percent levels necessary for existing and emerging programs

INTRODUCTION

Twenty-seven years ago, the *U.S.* v. *Washington* case was decided by the federal court system. In 1999, tribal rights were once again upheld when the U.S. Supreme Court denied cert. on our decade long shellfish litigation. These decisions, respecting the treaty rights of our member tribes, have propelled major changes, not only in fisheries management in the Pacific Northwest, but they have also fostered a nationwide quest for tribal self-determination and self-governance led in part by the Northwest tribal leadership.

We are at a turning point in natural resource management in the Pacific Northwest. We have developed great professional capabilities and policy respect, and we are efficient and effective. There are new and highly difficult complexities abound, many precipitated by the demands of the Endangered Species Act (ESA) and the Clean Water Act (CWA). Treaty rights to harvest shellfish are often thwarted due to pollution in marine waters. To meet this challenge, we will need all of our existing funding and additional new resources.

It is true that over the past decade, tribes have been able to secure new monies for additional responsibilities. However, over the same period of time, tribes have seen monies for other duties diminish, through inflation or through the elimination of programs and support funding. And in this process, Indian natural resource management capacity has been unfairly affected. Therefore, we strongly urge the Subcommittee to guard against any diminishment of the tribal program funding base, and do all it can to strengthen and enhance the Bureau's Trust, Tribal Priority Allocation and Self-Governance Program funding. We also ask that the Subcommittee ensure that the Western Washington-Boldt implementation and the Pacific Salmon Treaty base budgets be fully funded as was included in last year's budget.

SHELLFISH MANAGEMENT INITIATIVE

For centuries, members of Puget Sound and Coastal Treaty Tribes have harvested shellfish for their commercial, ceremonial and subsistence needs. Hard shell clams

and oysters were collected from shoreline areas. Other shellfish species, such as crab and shrimp, were also gathered for subsistence and commercial uses. Shellfish harvesting was as important to tribal traditional life and commerce, as was fishing for salmon and steelhead.

Tribes signed treaties with the United States in the mid-1850's, that included guaranteed tribal rights to gather shellfish. However, over the course of the past century and a half, conflicts arose, and the tribal right to harvest these resources was diminished. As a result, tribes were forced to seek a reaffirmation of their rights through the federal courts system. In 1999, the Supreme Court denied cert. and let stand the favorable decision of the 9th Circuit Court. Tribes have steadily moved forward during this time in implementing their treaty rights to harvest their share of the resource. However, Tribes need monies to fully implement this right, in much the same way as they did after the original *U.S.* v. *Washington* case was decided. Several dozen regional shellfish management plans have been successfully negotiated with tribal and state agencies, and tribes have redirected efforts to conduct the minimum management needed for their fisheries. Agreements and processes to access private tidelands have also been proceeding peacefully. Without new resources this success will be short-lived.

For instance, very little data and technical information exists for many of the fisheries which are now being jointly managed by state and tribal managers, which will make it difficult to assess treaty/non-treaty sharing arrangements. Additionally, intertidal assessment methodologies differ between state and tribal programs, and can lead to conflicts in management planning.

During the course of the court case, tribal and state attorneys were able to negotiate a consent decree which establishes shellfish sanitation programs designed to protect the public health. The implementation of the decree has revealed that the presence of biotoxins in shellfish is dangerously unacceptable, and threatens the viability of both the state and tribal fisheries. Additional research and monitoring of this biotoxin is necessary to prevent illness and death that may result from consuming toxic shellfish. The significant value of deep-water shellfish fisheries has increased illegal harvesting and enforcement is inadequate. Tribes and state enforcement agencies are addressing problems by coordinating patrols, but additional monitoring of these harvest is needed.

It is clear that more needs to be done to adequately address resource concerns for the benefit of all fisheries, Indian and non-Indian alike. The Western Washington tribes request the Subcommittee to add an additional $6.8 million to tribal fishery management contracts as part of the permanent base. This request is supported by a wide range of individuals, organizations, and governments.

WILDSTOCK RESTORATION INITIATIVE, WATERSHED RESTORATION, NORTHWEST FOREST PLAN, AND ENDANGERED SPECIES ACT IMPLEMENTATION

In 1999, a number of species of Pacific Salmon were listed by the National Marine Fisheries Service as threatened under the terms of the Endangered Species Act (ESA). Last year, the Bull Trout was listed as threatened by the U.S. Fish and Wildlife Service. This ESA listing process is triggering a cascading chain of events, and will culminate in significant changes to harvest, hatchery and habitat practices for the region and its inhabitants.

Tribes are affected by this federal process. As fishermen, the listing raises serious questions about the status of the stocks and poses a threat to the individual's opportunity to continue to harvest this salmon, a treaty-secured resource. As governments, the ESA process places inordinate demands upon the tribes as co-managers of the resource. Biological Reviews, Listing Decisions, Assessments, Opinions, Consultation, and Recovery Planning are just a few of the processes tribes will now be forced to participate in just to ensure their treaty protected fisheries. The tribes harvest opportunity and management are placed in severe jeopardy by these actions without additional funds to manage the risks imposed by this federal mandate. It is partly for these reasons that the tribes have worked very hard over the years to bring about positive and effective change in resource management. Unfortunately, the process has overtaken tribal efforts, and new obligations are upon us.

We are requesting that the Subcommittee continue to provide $400,000 for the Wild Stock Restoration Initiative from the $3.0 million Bureau of Indian Affairs, Forest Development, Woodland Management and the Northwest Forest Plan "Jobs in the Woods" Initiative line item. The WSRI is essential to developing a habitat inventory base from which restoration efforts can begin. The remaining $2.6 million from this initiative will allow tribes throughout the Pacific Northwest to continue to conduct watershed analysis and watershed restoration within their Usual and Ac-

customed Areas. This approach is identical to last year's request, which the Subcommittee supported.

TIMBER-FISH-WILDLIFE AGREEMENT EXPANSION

We are supporting additional funding to tribes for expansion of our Timber-Fish-Wildlife (TFW) program that cooperatively and collaboratively allows tribes to actively participate in state forest practice rules and regulations that have an affect on listed salmon populations. Tribes, as a result of their co-management status, are deeply involved in this management forum. Tribes bring to the table a very high level of skills and technical capabilities that if appropriately funded, would greatly facilitate a successful outcome. The negotiations leading up to the development of the TFW Forest and Fish Report were exceedingly contentious. Most all of the tribes were extremely concerned about one or more of the key provisions in the report. However, most all agreed the only way to actually resolve these issues is for a strong monitoring and adaptive monitoring process be put in place, which will require additional funding.

Tribes are now using the funds provided last year by the Committee in a very organized fashion. Tribes have a strong central and regional coordination component and are focusing implementation efforts at their local watersheds. The strategy calls for two tracks. One is aimed at supporting the development of the Habitat Conservation Plan (HCP) development process at TFW. A second track supports tribal participation in TFW in a continuing effort to shape and steer forest management practices toward greater fish protection.

For fiscal year 2002, we are requesting $3.048 million, plus an additional $1.0 million to further develop tribal participation in the TFW Forest and Fish effort.

CONTRACT SUPPORT FUNDING IS ESSENTIAL TO TRIBAL PROGRAMS

We continue to have concerns that the Bureau of Indian Affairs has failed to fully request Contract Support Funds for tribal programs. We are also concerned that Congress has not fully appropriated the necessary funds. An artificial cap upon the funding pool for indirect cost reimbursements places a huge burden on tribal fisheries programs. We have been, and will be forced to continue to reduce our programs to cover these costs as mandated by law. Such a burden cannot be borne by tribal programs again this year or into the future without onerous results.

CONCLUSION

We appreciate the Subcommittee's continued support for the tribes and the NWIFC as we implement co-management responsibilities. It takes funding resources to make our management system work, but the returns to our efforts are many. The challenges are great, and we must continue our effort with renewed vigor. We thank you for your attention to our needs. We have provided the subcommittee staff with additional supporting documentation for our requests. We are available to meet with you and your staff at your leisure.

Thank you.

CULTURAL AGENCIES

Prepared Statement of the Association of American Universities and the American Council on Education, National Association of State Universities and Land-Grant Colleges

The Association of American Universities, on behalf of the American Council on Education and the National Association of State Universities and Land-Grant Colleges, appreciates this opportunity to submit for the record testimony in support of the National Endowment for the Humanities (NEH). Through our combined memberships, our associations represent all of the public and private research universities in the country-institutions that educate large numbers of the nation's undergraduate and graduate students and conduct the bulk of the country's basic research and scholarship. We respectfully request that the Subcommittee provide $150 million for NEH in fiscal year 2002.

The United States possesses a culture of worldwide significance. NEH helps preserve this heritage by promoting lifelong learning, strengthening communities, and making the humanities available to all Americans. The humanities include language and literature, philosophy and history. They encompass a world of stories, an ongoing dialogue about meaning and value. They provide a framework for clear thinking, help produce good citizens, and instill in them a respect for history. The humanities

represent the endless human attempt to understand our world and our place in it. More than any other set of disciplines, they can be thought of as our cultural capital, and they are no less important than other forms of capital upon which our society relies.

Two characteristics of NEH are particularly noteworthy. First, NEH sustains long-term projects that are of national significance but that are unlikely to be funded by any single state or institution. Many of these endeavors can only be achieved with help and encouragement from the federal government. Second, NEH grants leverage state, local, and private philanthropic investment and increase public engagement with the humanities. The imprimatur of NEH funding, awarded on the basis of merit as determined by rigorous peer review, has a multiplier effect, increasing public participation in humanistic endeavors and attracting additional funds.

Research universities, small private institutions, state colleges, and community colleges use NEH grants to conserve and nurture our American heritage, bring the humanities to the community, expand knowledge, and educate the next generation of Americans. NEH-supported summer seminars and institutes provide an opportunity for high school and college teachers to spend six to eight weeks learning from and working with leading scholars in the humanities. Summer seminars and institutes provide an exhilarating boost to the participants, regenerate their enthusiasm, and facilitate the transfer of new knowledge. Last year, approximately 1,000 teachers attended 50 summer seminars. These teachers, in turn, reached 147,500 students

At the University of Oregon, an NEH-funded summer seminar provided secondary school Spanish teachers with an opportunity to study the history and literature of Mexico under a team of scholars and bilingual specialists. The seminar included methodology training with emphasis on integrating the teaching of language, culture, and literature at the high school level. In addition, the seminar included instruction on the use of technology in the instructional process.

Faculty and students both benefit from NEH-funded research projects. Such projects become part of the learning environment, contributing not only to our knowledge base, but also to the education of new generations of scholars. For example, the University of Michigan has initiated "The Arts of Citizenship Program" which explores the role of university arts, humanities, and design in public life. A component of the project, Students On Site, brings together university faculty and students with teachers and students from Ann Arbor schools to explore the city's rich history and landscape. University of Michigan faculty and students have worked with schools and the community on a local history field trip for third graders, the redesign a neglected park, and the relationship between poetry and everyday life.

NEH investments also make a crucial difference in the support of long-term projects. It is important to realize that in the humanities, NEH is often the only source of national support. Only an agency like NEH, with its federal funds and broad vision can support such projects, which include bibliographies, encyclopedias, and the preservation of papers of great leaders, such as George Washington, Frederick Douglass, and Mark Twain.

At Rutgers University, NEH grants have helped support the Thomas A. Edison Papers project. This project involves collection, selection, editing, and publication of the correspondence, laboratory notes and related technical and business records of the nation's most prolific inventor. By making Edison's most significant records widely available for the first time, the project has fostered scholarship concerned with historical and contemporary issues of interest to a wide range of students and scholars, including historians, philosophers, social scientists, engineers, natural scientists, and policy makers. Shepherding and nurturing endeavors of this scale and magnitude-in essence, preserving our heritage-is the government's trust and must remain at the federal level.

Preservation activities, in particular, are an area unlikely to be funded by any individual state but of substantial benefit to the entire nation. With NEH support, Cornell University is coordinating the identification and preservation of 8,075 aging volumes on American agricultural history and rural life published between 1820 and 1945 and held by land grant universities in California, Florida, Nebraska, Texas, Arizona, Arkansas, Hawaii, Iowa, Minnesota, Montana, and New York. The preservation of brittle books and newspapers assist scholars in producing source material accessible to all Americans, from legal scholars to political scientists to school children.

The fiscal year 1996 budget cut disproportionately affected many NEH national programs, including preservation activities. Approximately 20,000 fewer brittle books, as well as more than 230,000 fewer pages of U.S. newspapers are now being

preserved on microfilm each year, thus slowing the NEH's efforts to preserve and increase access to these important intellectual resources. An increase is needed to allow NEH to recover some of the lost ground and to support the digitization of historically significant collections held by museums, libraries, historical organizations, and archives, as well as undertake the preservation of recorded sound collections. New digital technology can play a crucial role in helping us preserve our country's heritage.

While the state humanities councils have the primary responsibility for state-based humanities programs, colleges and universities also use NEH support to bring humanities to their communities. For example, the University of Illinois has engaged in several NEH-funded projects that enabled 4,000 people to participate in symposia, exhibitions, and lectures focused on Jane Addams' Hull House. Similarly, the University of Mississippi used an NEH grant to develop a "Memories of Mississippi" exhibit that recorded the recollections of the Depression Era from northern Mississippi citizens. A "traveling trunk" toured the region, visiting seniors' groups, nursing homes, and schools. The trunk included printed essays, prerecorded and blank audiotapes, a tape recorder, photographs and memorabilia of the Depression Era.

The NEH has enjoyed bipartisan support throughout its 36-year history and has been the single most important source of support for humanistic endeavors in the United States. In calling for the creation of the National Endowment for the Humanities, Lyndon Johnson said, "A great nation, and a great civilization, feeds upon the depth of its scholarship, as well as the breadth of its education opportunity." Nearly 20 years later, Ronald Reagan observed, "Our cultural institutions are an essential national resource; they must be kept strong." Again, we urge the Subcommittee to provide $150 million for NEH in fiscal year 2002.

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF MUSEUMS

Chairman Burns, Senator Byrd and distinguished members of the Subcommittee, thank you for the opportunity to present testimony in support of the fiscal year 2002 budget of the Institute of Museum and Library Services. My name is Edward H. Able, Jr., and I am President and CEO of the American Association of Museums (AAM), the national service organization helping museums serve their communities. AAM assesses museum operations and accredits museums, provides education and training for museum professionals, operates international museum programs, and advocates for museums. Since its founding in 1906, AAM has grown to include more than 16,400 members, including more than 11,400 museum professionals, 3,000 museums, and 1,900 corporate members in every State of the Union. On behalf of the museum community, I respectfully ask the Committee to increase funding for The Office of Museum Services (OMS) at the Institute of Museums and Library Services (IMLS) by approximately $3 million to $28 million, at the very least, for the coming fiscal year. We firmly support the President's proposed increase of $120,000 for administrative expenses but we would ask the Committee to provide a corresponding and substantial increase for programmatic expenses as well. We believe an increase to $28 million would be both reasonable and fiscally responsible, and provide the agency desperately needed funding to address the growing needs of the museum community. The main reason for establishing the OMS in the first place—"to ease the financial burden borne by museums as a result of their increasing use by the public" (Public Law 94–462, Title II, Museum Services Act)—has never been more true than today.

Museums are witnessing a huge increase in attendance. According to conservative AAM estimates, museums welcome 865 million visits per year compared with around 600 million only a decade ago. That's an impressive 2.3 million visits to American museums per day. Museums are also consistently listed in the top three of family vacation destinations by the travel and tourism industry. And in a recent nation-wide survey, one-third of Americans said they have visited an art museum, a history museum, an aquarium, zoo, botanical gardens, or science and technology center within the past six months. Almost one quarter of Americans have visited within the past year. The evidence is overwhelming; more people visit museums today then in any time in history, and this trend shows no sign of slowing down.

In addition, people are expecting more from their local museums. In the last few weeks it has been nearly impossible to pick up a newspaper or magazine without reading a story about how the latest census figures show that America has become a more diverse society. Changes in where people choose to live, how they work, and how they spend their leisure time, as well as the increasing ethnic diversity, leave no doubt that America of the 21st Century will be technologically, socially, cul-

turally, racially and ethnically very different from America of the 20th Century. Museums have a role to play in meeting some of the most critical challenges in community life they are increasingly called upon to play greater roles in:

—Education and lifelong learning
—Supporting families and family involvement in education
—Community engagement
—Economic development
—Access for all, whether at the museum itself or through technology
—Preservation of our heritage (scientific, social, cultural, natural and artistic)

Museums have become what the Washington Post once dubbed "The New Town Square," offering everything from jazz concerts to education forums. At the same time they remain places of learning for our children, families and adults; of scholarly research; and of quiet contemplation of beauty, our cultural heritage, and civilizations past and present. Perhaps Steven Holl, a New York architect said it best when he talked about the success of his new Bellevue, Washington art museum in a recent Newsweek article. He said, "There was no institution in town that brought people together, this is really a social condenser."

These new expectations place tremendous demands upon a museum's infrastructure. To be successful museums need to invest tremendous resources to ensure that their exhibits are both intellectually understandable and meet real community needs. Unfortunately, nine-tenths of museums believe that "funding to meet basic commitments" is a critical need for the coming years, with 70 percent ranking this issue first among their needs. But only 8 percent of the museum community unfortunately, believe they have the resources to cope with critical issues in the near future.

While need has substantially increased, the museum side of IMLS' budget has shrunk, dropping dramatically from a high of $28.7 million in fiscal year 1995 to today's level of $24.9 million, a slight recovery from the $22 million budget of fiscal year 1997. This recent period of shrinking or relatively static budget has meant that the General Operating Support program, the core of the museum half of IMLS, was only able to fund 19 percent of applications in fiscal year 2000, down from 20 percent in fiscal year 1998, and 26 percent in fiscal year 1995. Yet according to outside peer reviewers 59 percent of the grants are worthy of funding. Given that the program is highly competitive and receiving an award is a mark of great achievement, and recognized by the field as such, that 59 percent figure is truly remarkable.

The $28 million we are requesting is a relatively modest but worthwhile investment that would significantly increase the ability of IMLS to help more museums, especially small and rural museums. And while most of those additional awards would be small grants, they would have a strong multiplier effect on private and state funds for the recipient museums, funds that will clearly help museums further increase and enhance their services to local school systems and other community organizations. A budget of $28 million would also represent an 11.5 percent increase over the current baseline budget of $24.9 million, be consistent with the Administration's proposed increase for other educational programs, and send a strong message from Congress that museums are a valuable educational resource.

Museums are first and foremost educational. In fact, education has always been a cornerstone of museum service. But, it has taken on even more significance and prominence. For example, in 1992, AAM issued a landmark policy report, entitled Excellence and Equity: Education and the Public Dimension of Museums reaffirming museums' role in the education enterprise. To quote the report itself: "Museums have a vital place in a broad educational system that includes formal institutions such as universities, schools and professional training institutes and informal agents of socialization such as family, workplace and community. Museums have the capacity to contribute to formal and informal learning at every stage of life, from education of children in preschool through secondary school to the continuing education of adults. They add a tangible dimension to learning that occurs in formal settings." In 1997, IMLS raised the bar and helped reinforce the importance of museum education when it published "True Needs, True Partners," an 80-page book that profiled 15 museums-school partnerships and the results of a museum survey designed to collect specific information about the full range of educational activities that museums offer to our nation's schools. Prior to the issuance of Excellence and Equity and True Needs, True Partners, the idea that museums make a major contribution to education was broadly understood. The results of nationwide research conducted for AAM showed that 93 percent of those surveyed believed the statement "Museums are active participants in education, providing hands-on learning experiences for children and tours for school field trips. Museum often form partnerships with public schools providing unique classroom opportunities, after-school programs and professional development for teachers." True Needs, True Partners, for the first

time, provided museum and educational professionals with strong statistical information that confirmed museums and schools are working together to better educate students at all grade levels. The survey found that:

—88 percent of America's museums provide K–12 programming, spending roughly $193 million annually on K–12 educational programming.

—70 percent of museums responding to the survey reported an increase in the number of schools, teachers and students served in the previous five years.

—Museums report the substantial use of school curriculum standards in shaping educational programming for a given subject. Ninety two percent of math related educational programs use curriculum standards, 87 percent of science offerings, 76 percent of art programs and 72 percent of history educational programs use curriculum standards.

—The typical museum now provides between 100 and 223 instructional hours to student each year, with a low estimate of 3.9 million hours collectively for all museums.

In May, AAM will release the results of a recent national survey that reveals that Americans view museums as "one of the most important resources for educating our children and as one of the most trustworthy sources of objective information." A museum's ability to fulfill its educational mission, however, whether through in-person involvement or through the World Wide Web, stems directly from the health of its most basic operations. I cannot stress this point enough. We would all agree, I think, that the vast wealth of cultural, scientific, technological, historic and artistic treasures preserved, protected and researched by America's museums should be as accessible as possible as a learning resource. Our country's museums house an enormous wealth of information though—more than 700 million, objects, specimens and associated documentation of our cultural, scientific and artistic heritage. And a museum at any one time has only five to ten percent of its collection on exhibition, with access to objects in storage necessarily restricted. Before the advent of the Internet, museums were only able to share their collections with the public in teaspoon amounts to on-site visitors. Now, however, museums are developing interactive exhibits, and regional electronic networks, and they are digitizing their collections to increase accessibility through the World Wide Web. Digitizing a three dimensional object is simply not as easy or straightforward as running the pages of a book through an electronic scanner, and digitization is a critical step toward providing compelling "virtual visits" and greater access to school programming via distance education technology. Private funding for complex and costly digitization projects is scarce. It costs art museums, for example, an average of $38 per visitor to just keep the doors open and the lights and heat turned on. The average admission charge per visitor is $1.46. That means on average, art museums lose $36.54 every time someone walks into the building. Museums simply do not have the resources to handle these types of projects on their own.

That is why an increase for IMLS's core programs like National Leadership Grants for Technology Advancement for Museums, and particularly General Operating Support (GOS), are so critical. I cannot emphasize enough what an enormous difference Federal financial support through programs like IMLS' GOS program can make, especially for small or rural museums. To quote William Ebie, Executive Director of the Millicent Rogers Museum of Northern New Mexico, GOS funds "Pretty much help us keep the door open."

While it is true that museums can use GOS money where they determine it is most needed to improve public service, by and large we are not talking about giving museums money to pay the light bills. We are talking about an investment that insures America continues to have a strong, viable and relevant museum community fully capable of fulfilling its educational mission and potential. And research conducted by IMLS has shown that 94 percent of museums use their GOS funds to do just that by improving their educational programs, services and materials.

For example, the Santa Fe Children's Museum used a GOS grant to partner with the local Social Service Department to provide vouchers for under-served members of the community to visit the museum free of charge. The Heath Adventure Museum in Asheville, North Carolina used a GOS grant to expand the availability of its programs and services for local schools, increase the activities of its education staff, and greatly expand its summer science program. And the Museum of Art at Washington State University in Pullman, Washington used a GOS grant to promote the use of museum exhibitions in local schools and to fund free art workshops for schoolchildren. The list goes on and on.

The Office of Museum Services at the Institute of Museum and Library Services is a valuable agency with a valuable role to play in the museum community. It supports the needs of the museum field as a whole, in the absence of a coherent state mechanism for museum support (like the state arts and humanities councils and the

state library agencies); it helps leverage financial support from private sector, state and local governments; it assists in building alliances of national impact between museums and other sectors (e.g. education); it initiates partnerships with other federal agencies; it conducts research; and it provides national leadership for new initiatives. All of this comes at a relatively minor cost to the American taxpayers.

I would also encourage the Committee to provide significant increases for the National Endowment for the Arts and the National Endowment for the Humanities. Working singularly and in partnership with IMLS, the NEH and NEA have provided critical support for America's museums since their inception 35 years ago, and we support increases for these valuable agencies so they can continue their good work.

In closing, I would just reiterate that IMLS is a valuable Agency that has had a tremendous positive impact. There is no doubt in my mind that it can continue to have a strong positive impact for years to come if adequately funded. Therefore, I strongly urge the committee to provide at least $28 million for the Office of Museum Service at the Institute of Museum and Library Service for fiscal year 2002.

PREPARED STATEMENT OF THE CITY OF MIAMI BEACH, FL

On behalf of the City of Miami Beach, Florida, I appreciate the opportunity to submit this written testimony to you today on two extremely important initiatives, currently underway within our city. We respectfully request your consideration of these projects for funding from your fiscal year 2002 appropriations legislation.

—Miami Beach Cultural Arts Initiative: The City of Miami Beach is requesting assistance in the amount of $1.5 million from the NEA, NEH or IMLS programs to continue the City's efforts to support programming and training opportunities for performing and visual arts organizations in Miami Beach, and to support local museum and educational initiatives.

—Atlantic Corridor Greenway Network: An important project which brings together urban revitalization and economic redevelopment in a linear park or greenway setting. The City is seeking a $3.2 million appropriation from the Urban Park Restoration and Recovery program to continue construction of this linear park which will stretch the entire length of the City.

MIAMI BEACH CULTURAL ARTS INITIATIVE

During the past decade, the City of Miami Beach has fast become a world-class center for the creation and consumption of culture. The entire City has been designated as an arts district, and the City is currently developing a Cultural Campus in Collins Park that is home to the Miami City Ballet, an $8 million expansion of the Bass Museum, and the future home of the Miami Beach Regional Library.

There are currently 82 large and small dance, music and theater companies, visual and performing arts organizations, museums, and galleries. Among these groups are, the Miami City Ballet, the New World Symphony (America's Orchestral Academy), the ArtCenter South Florida, the Wolfsonian-FIU Museum, the Bass Museum, and the Jewish Museum of Florida. The City houses several venues that play a key role in the region, including the Jackie Gleason Theater of Performing Arts, the Lincoln Theater, and the Colony Theater, which was recognized by Congress last year as one of America's Treasures. Additionally, the "Superbowl" of art shows, Art Basel, based in Switzerland, has chosen Miami Beach as the location for its first annual show outside of its home base, beginning in December 2001.

The Miami Beach Cultural Arts Council was created in 1997 to develop, coordinate, and promote the performing and visual arts groups. It accomplishes this mission by serving as arts advocates before governmental bodies, by coordinating marketing programs, by funding not-for-profit arts organizations, by promoting international cultural tourism to the city, and more. Since 1997, the Miami Beach Cultural Arts Council has awarded over $2 million to 76 arts groups, and joined economic forces with the Miami Beach Visitor and Convention Authority (VCA) and the Miami-Dade Department of Cultural Affairs to award grants for Beach-based cultural events and to help promising local arts groups develop. The Council is comprised of nine spirited and knowledgeable Beach residents who express their commitment to the community through their involvement with the Council. The Mayor and City Commission appoint members to the Council for three-year terms with limits of six consecutive years.

Secured annual funding is about $1 million, with strong administrative and political support to augment this level. Due to a special $200,000 allocation, funding for fiscal year 2000/01 is $1.74 million. Cultural arts grants are awarded to eligible organizations, i.e., local, not-for-profit corporations producing or presenting visual or

performing arts in the City of Miami Beach. Since its inception, the Miami Beach Cultural Arts Council has awarded the following grants:

1998–1999—awarded to 55 groups	$509,000
1999–2000—awarded to 56 groups	585,000
2000–2001—awarded to 58 groups	958,000

The Council has also succeeded in securing outreach opportunities, including 2 PBS documentaries on Miami Beach culture, with an estimated 6-year worldwide audience of 550 million viewers.

Another key component of the Miami Beach cultural scene is the Miami Beach Arts Trust, a not-for-profit corporation created by the City of Miami Beach Cultural Arts Council in 1999. The Arts Trust supports the work of the Cultural Art Council by working to build a financial endowment for the arts in Miami Beach. The City has also entered into a contract to purchase an old movie theater in the North Beach area of town for a $7 million renovation project that will transform it into a cultural center.

In 2000, the Cultural Arts Council began a monthly Miami Beach Arts Night called "Second Thursdays". This is a free celebration of the arts on the second Thursday of every month from 6 to 9 pm in many different locations throughout Miami Beach, and including performances by the majority of the City's arts groups. After only seven months, this series has generated extensive local coverage and has also had national and international reach, including the Sunday New York Times.

Educational institutions are also an important part of the City's cultural scene, as illustrated by Florida International University's partnership with the Wolfsonian Museum. The City of Miami Beach has placed high priority on development of the arts through educational institutions, not only at the university level, but in primary and secondary education as well.

The cultural arts played a key role in the development of Miami Beach's South Beach area into an international economic phenomenon. The creative atmosphere the arts established in the City made Miami Beach the ideal location for multi-national entertainment companies when they looked to expand their operations into the America's. The City is now houses over 135 entertainment industry firms, including the Latin American headquarters of companies such as Sony, MCA, MTV, Nickelodeon, Elite Models, ASCAP, and LARAS, the Latin American operations of the NARAS, the National Academy of Recording Arts and Sciences. Along with the renourishment of the City's beaches and the redevelopment of the Art Deco Historic District, the development of the arts was one of the most important ingredients that led to South Beach's re-emergence as one of the nation's most important international tourist destinations.

A recent study conducted by the Economics Department of Florida International University established that the Performing Arts provide Miami Beach with the highest economic impact multiplier of all sectors studied, meaning that more money is funneled through the local economy per dollar invested into Performing Arts than any other sector. The challenge for cities such as Miami Beach, is providing a large enough investment from which the City can receive the biggest "bang for the buck."

Miami Beach is a leader in the continued role that the State of Florida plays to insure that the United States remains competitive in the international economy, not only in the arts and tourism, but in all sectors, especially as South Florida, with Miami Beach at its epicenter, emerges as the Capital of the Americas. In order to help maintain Miami Beach's role in the 21st Century, the continued investment in quality cultural activities is necessary. To this end, the City of Miami Beach is requesting a federal $1.5 million commitment to the City's efforts to support programming and training opportunities for performing and visual arts organizations in Miami Beach, and to support local museum and educational initiatives.

ATLANTIC CORRIDOR GREENWAY NETWORK

The City of Miami Beach exists as an eight mile long chain of barrier islands that is separated from the mainland of Miami-Dade County by the Biscayne Bay Marine Estuary. The historic and scenic Indian Creek Waterway system snakes its way through the chain of islands. Miami Beach was settled in the late 1800's as a farming community. Just after the turn of the century, entrepreneurs recognized the area's potential and launched the development of a resort community. The result was a development boom which reached its peak in the 1930's & 40's and established Miami Beach as the number one beach tourism destination in the world.

The post-war prosperity of the 1950's brought on a vast expansion in the development of single family homes and lower density multifamily residential facilities to Miami Beach. By the time changes in world economic conditions brought new devel-

opment in Miami Beach to a halt in the 1960's, the City of Miami Beach was a completely developed metropolitan area. The area remained in economic doldrums until the mid-1980's when Art Deco revival and a resurgence in beach tourism ignited a wave of redevelopment that has eclipsed any previous period of development in Miami Beach history. This resurgence in development has also brought on major changes in both Miami Beach's population demographics and traffic patterns. Since 1980, the median age of Miami Beach residents has dropped from 65 to 44 years old. During that time, approximately 25 percent of the City's hotel and apartment facilities that historically catered to the City's retiree and seasonal visitor populations, were converted to condominiums occupied by permanent residents. Unfortunately, with this explosion of year-round residents, the creation of parkland within the City for these individuals was vastly overlooked.

Through the development of the Atlantic Corridor Greenway Network, the City of Miami Beach is creating a regional system of parkland which will interconnect key intermodal centers, area business districts, cultural/tourism centers, residential neighborhoods, parking facilities, schools and the beaches. The Network will be comprised of a citywide system of bicycle/pedestrian accessways, enhanced public transit facilities, expanded Electrowave electric shuttle service and innovative regional parking improvement programs.

The system of bicycle/pedestrian trails will be created to provide continuous, multi-purpose public access corridors throughout the City. The access corridors will be developed as Greenways or linear parks which will snake their way along the City's beaches, waterways and natural ecosystems with connections to residential areas, resort areas, business districts, civic centers, transit sites and parking facilities. Rest areas, vista areas, waterway access facilities, and interpretive signage will be interspersed throughout the greenways to provide enhanced heritage and ecotourism amenities and recreational opportunities for park and trail users.

By connecting the Greenway trails with improved transit sites in strategic residential areas, employment centers and regional parking facilities, the Network will encourage greater utilization of public and alternative modes of transportation for daily commuting. Furthermore, these new park lands will encourage new economic development in Miami Beach by reducing the concurrency restrictions currently limiting new development and by increasing local business utilization by residents and visitors.

Local government has already made a substantial investment in the development of the Atlantic Corridor. To date, the City has obtained more than $12,000,000 in project funding, completed the design and permitting of more than 3.5 miles of the Network's trails, and will complete the construction of the first 2.5 miles of trail in fiscal year 2001/2002. If approved, this $3,200,000 appropriation request will allow the City to complete the development of a series of residential parkways, which will directly link the City's key residential areas with regional employment centers, transit facilities and the Citywide trail network.

PREPARED STATEMENT OF THE AMERICAN MUSEUM OF NATURAL HISTORY

ABOUT THE AMERICAN MUSEUM OF NATURAL HISTORY

The American Museum of Natural History [AMNH] is one of the nation's preeminent institutions for scientific research and public education. Since its founding in 1869, the Museum has pursued its mission to "discover, interpret, and disseminate—through scientific research and education—knowledge about human cultures, the natural world, and the universe." It is renowned for its exhibitions and collections of more than 32 million specimens and cultural artifacts. With nearly five million annual visitors—approximately half of them children—its audience is one of the largest, fastest growing, and most diverse of any museum in the country. More than 200 Museum scientists conduct groundbreaking research in fields ranging from all branches of zoology and paleontology to earth, space, and environmental sciences and anthropology. Their work forms the basis for all the Museum's activities that seek to explain complex issues and help people to understand the events and processes that created and continue to shape the Earth, life and civilization on this planet, and the universe beyond.

Today more than 200 active Museum scientists with internationally recognized expertise, led by 47 curators, conduct laboratory and collections-based research programs as well as field work and training. Scientists in five divisions (Anthropology; Earth, Planetary, and Space Sciences; Invertebrate Zoology; Paleontology; and Vertebrate Zoology) are sequencing DNA and creating new computational tools to retrace the evolutionary tree, documenting changes in the environment, making new

discoveries in the fossil record, and describing human culture in all its variety. The Museum also conducts graduate training programs in conjunction with a host of distinguished universities, supports doctoral and postdoctoral scientists with highly competitive research fellowships, and offers talented undergraduates an opportunity to work with Museum scientists.

In its exhibition halls AMNH scientific knowledge and discovery are translated into three dimensions. One of the most exciting chapters in the Museum's history culminated just over one year ago with the opening of the Rose Center for Earth and Space in February 2000. Greeted with critical and popular acclaim and record-setting attendance surpassing all projections, the Rose Center includes a rebuilt Hayden Planetarium, Hall of the Universe, and Hall of Planet Earth. It leads to the Hall of Biodiversity, which reveals the variety of Earth's living things and expands the Museum's efforts to alert the public to the critical role biodiversity plays in sustaining life as we know it. Together, the new planetarium and halls provide visitors a seamless educational journey from the universe's beginnings to the formation and processes of Earth to the extraordinary diversity of life on our planet.

The Education Department builds on the Museum's unique research, collections, and exhibition resources to offer rich programming dedicated to increasing scientific literacy, to encouraging students to pursue science and museum careers, and to providing a forum for exploring the world's cultures. Each year hundreds of thousands of students, teachers, and schools participate in workshops, courses for college credit, and Museum visits; more than 500,000 students and teachers visit on school trips, prepared and supported by curriculum resources and workshops. The Museum is also reaching beyond its walls: through its National Center for Science Literacy, Education, and Technology, launched in 1997 in partnership with NASA, it is exploiting new technologies to bring learning and discovery, materials, and programs into homes, schools, museums, and community organizations around the nation.

SUPPORT FOR THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES

The American Museum of Natural History supports the goals and accomplishments of the Institute of Museum and Library Services [IMLS]. The Museum's own collections of more than 32 million artifacts and specimens are considered to be the largest non-federal museum collection in America, and one of the largest and most significant biological collections in the world. Its Library houses one of the world's preeminent collections of natural history and anthropology materials. It shares IMLS commitments to increasing technological access to the nation's museum and library resources and to building partnerships to address community needs; and it urges increased investment in IMLS so as to advance public access to these vital educational institutions.

Scientific and Cultural Collections

The cumulative result of 130 years of exploration, collecting, and research, the AMNH collections are a major scientific resource providing the foundation for the Museum's interrelated research, education, and exhibition missions. They often include endangered and extinct species as well as many of the only known "type specimens," or examples of species by which all other finds are compared. Within the collections are many spectacular individual collections, including the world's most comprehensive collections of dinosaurs, fossil mammals, Northwest Coast and Siberian cultural artifacts, North American butterflies, spiders, Australian and Chinese amphibians, reptiles, fishes outside of their home countries, and one of the most important bird collections. Collections such as these are historical libraries of expertly identified examples of species and artifacts, associated with data about when and where they were collected. Such collections provide vital data for Museum scientists as well as more than 250 national and international visiting scientists each year. The collections are all located on-site to provide scientists with ready access.

The Museum's halls of vertebrate evolution provide an excellent example of the relationship among science, collections, education, and exhibition. In these halls, visitors walk directly along a phylogenetic tree indicated by a pathway on the floor. At each branch in the tree, a visitor can stop and view fossils that exemplify sets of anatomical features which inform scientists about natural groups of organisms. The collections are also the source of the extraordinary "Spectrum of Life" exhibit in the Hall of Biodiversity. This exhibit features more than 1,000 expertly mounted specimens from 28 scientific classifications; it is perhaps the world's most comprehensive display of the diversity and evolution of life. It includes interactive computer kiosks that visitors use to identify and interrelate organisms on evolutionary trees. The confluence of collections, evolutionary research, and beautiful exhibition makes these halls among the Museum's most compelling educational features.

Natural History Library

The American Museum is also home to the largest unified natural history library in the Western Hemisphere. In addition to supporting the work of the Museum's scientific staff, the Library serves the world's scientific and scholarly communities as well as students from colleges and universities in the tri-state area and interested members of the public. Each year thousands of users visit the Library, and its staff answer more than 26,000 reference questions.

The Library contains over 485,000 volumes, including pamphlets, reprints, books, field journals, photos and drawings, several hundred films, and rare books dating to the fifteenth century. It also houses the Museum's astronomy collections, including the Perkins Library of more than 35,000 volumes and the Bliss Collection of rare and ancient scientific instruments. The archives contain more than 1,900 linear feet of materials and 250 reels of microfilm. Additionally, the Library maintains approximately 1,000,000 photographic images documenting specimens and scientific work, 3,000 documentary films, and over 2,700 art objects and memorabilia.

Other highlights of the Library collection include over 300 manuscript collections of notable naturalists and scientists; a unique collection of 13,000 rare books that spans over 500 years of scientific and expedition literature; and diaries and logs, including Captain James Cook's account of Australia (1783) and Charles Darwin's zoology of the voyage of "H.M.S. Beagle" (1839–43).

Preservation and Access

By assuming stewardship of these irreplaceable collections and holdings, the Museum serves as custodian of one of the most important records of life on earth. As steward and custodian, it places the highest possible priority on preservation and access, so that the collections will be protected and available for research, exhibit, and education for generations to come. New technologies now allow the collections' reach and power to be increased exponentially. Digital imaging, electronic cataloging, and databasing can make it possible for the first time for researchers, no matter where they may physically be located, to access and study AMNH holdings.

The Museum has a demonstrated record of success in leading preservation and access practices. The Anthropology Department, for example, is nearing completion of a 25-year collection storage upgrade. Scheduled for completion in 2002, this upgrade will ensure that the artifacts are protected and stored for study by generations to come. The Department is also completing an initiative in which a database of digital images of objects in all of the Anthropology collections will be linked to catalog and accessions information. Supported by the National Endowment for the Humanities, this project will give scholars everywhere greater access to the Museum's unique cultural collections.

The Library is engaged in an ambitious pilot effort, with private foundation support, to digitize its holdings and link them to the scientific collections. This model project, illustrative of the digitization initiatives the IMLS supports, will help to pave the way in transforming access to and ways to use the Museum's resources. An expansion of the digitization project would dramatically increase access to these resources for researchers, students, teachers, and the general public.

The Museum has also undertaken major efforts to improve storage, preservation, and access of its vast collections. Museum departments have recently moved into a new nine-story Natural Science Building. This facility significantly increases exhibition and collections storage space, with 30,000 sq. ft. of climate-controlled compact storage facilities for portions of the scientific collections, along with a digital imaging laboratory.

BIOLOGICAL COLLECTION STORAGE UPGRADE AND DIGITIZATION PROJECT

With the successful Anthropology project nearly complete and to guarantee the entire collections' preservation and access, the Museum must turn its focus to critical upgrading of other storage facilities and to digitizing its biological collections. The IMLS has a distinguished history of supporting cutting edge collection and technological practices.

Collection Storage Facilities

Collections preservation and access are top Museum priorities. The Museum's collections are the core of our scientific research, permanent and temporary exhibitions, and education programs. Access to the collections allows undergraduate, graduate, post-graduate, and even high school students to conduct real research projects in intensive learning programs. As the collections grow, questions about how to curate them, including how to use limited physical storage space, arise. While many similar institutions house their collections separately from their faculty, the Museum is committed to keeping its scientists, educators and collections together by

expanding on site. The new Natural Sciences Building, for example, can accommodate a substantial amount of new compact storage, including a unique super-cold storage facility to preserve tissue samples for future DNA study. We seek support in fiscal year 2002 to continue to improve our specimen and library collection storage facilities so that we may preserve and protect the integrity of our specimens and artifacts for years to come.

Technological Innovation for Greater Public Access

Biological science at the Museum centers on expert documentation of species and investigation of their evolutionary and ecological relationships. The collections therefore provide essential baseline data for scientific inquiry. They provide enormous amounts of object-associated information, such as locality, age, conditions under which objects were collected, etc. This information then becomes the raw data in whole new fields like Geographical Information Systems and distance learning. Indeed, if properly digitized and databased, this object-associated data allow more sophisticated questions to be asked of the collections, more flexible use of specimen data and images in remote learning, and more access and accessibility worldwide; such data also provide for more efficient and critical care of these important international resources. The Museum therefore would like to expand its digitizing and databasing efforts into a comprehensive database, with a web front end for worldwide general audience access, to allow digitized specimens and field data to be searched across many fields. Comprehensive digital imaging and electronic cataloging of collections will allow the Museum readily to share our resources with a national and international audience. Detailed digital renderings would also provide ready and safe access to often fragile archival material and allow off-site researchers and users to peruse the collection and strategically plan Museum visits. We seek support in fiscal year 2002 to develop and expand, in partnership with IMLS, our leading digitization initiatives.

As these endeavors demonstrate, the American Museum of Natural History supports the important goals of IMLS to preserve and expand access to library and museum resources and to reach out to broad audiences and diverse communities. IMLS has a distinguished history of supporting cutting edge collection practices and technology applications. The American Museum of Natural History [AMNH] seeks $1,000,000 in fiscal year 2002 to partner with IMLS to provide leadership in collection practices and to serve as a national model in improving public access to museum and library resources through technology.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

PREPARED STATEMENT OF THE NORTHERN FOREST ALLIANCE

The Northern Forest Alliance is a coalition of more than 40 state, regional and national organizations dedicated to the protection and stewardship of the 26 million acre Northern Forest which spans northern New York, Vermont, New Hampshire and Maine. Together we represent the interests of more than one million people. On behalf of the Alliance, I am submitting testimony in strong support of a significant increase in funding for the Forest Legacy Program to at least $100 million, and for full funding of the state and federal components of the Land and Water Conservation Fund (LWCF), consistent with the pledge made by President Bush.

The Northern Forest is the largest remaining continuous wild forest East of the Mississippi. Its 26 million acres blanket Maine, New Hampshire, Vermont and New York and hold the headwaters of all of the Northeast's greatest rivers and the mountains, lakes and forests that define the northeastern region of the country. It provides economic and environmental benefits that go well beyond state lines.

A decade of important conservation achievements have set the stage for addressing the challenges that threaten the landscape, culture and communities of the Northern Forest. This vast forest is facing a time of extraordinary transition: over the past year more than five million acres of mountains, rivers, lakes, ponds and woodlands have changed hands including more than 20 percent of the entire state of Maine and vast tracts in Vermont and the Adirondacks. Land sales of this scale speak to deep forces for economic and social change that will have a defining impact on the future of the region. Unless we act now to conserve the vast unfragmented forests that underpin our economy and way of life, the region and country will lose an irreplaceable resource of national significance—the last and largest wild forest in the East. Given the scale of these projects, it is clear that federal assistance to

the states, through robust programs such as Forest Legacy and a fully funded Land and Water Conservation Program, will be essential to realizing the opportunity before us.

THE CASE FOR SIGNIFICANTLY INCREASED FUNDING FOR THE FOREST LEGACY PROGRAM

In recent years the number of compelling projects in need of funding under the Forest Legacy Program, along with its popularity, has grown exponentially. A major reason for the success of the program is that the conservation mechanisms available under the program are well suited to private land conservation needs of the 21st century, with the flexibility to utilize easements or full fee acquisition as appropriate. The program enables landowners to retain ownership of their land and continue to earn income from it; conserves open space, scenic lands, wildlife habitat, and clean water; and ensures continued opportunities for outdoor recreational activities such as hunting, fishing, and hiking. In addition, with its minimum requirement of 25 percent non-federal matching funds, the program leverages state and private dollars to complement federal money, creating partnerships that have lasting value.

Authorized by Congress in 1990, the Forest Legacy Program helps preserve threatened forestlands and protect critical resources. As our population grows and land values rise, many private forests are in danger of overcutting and conversion to housing subdivisions or second-home development. The United States loses more than half a million acres of privately-owned timberland to development each year. These changes are impacting the economic integrity of our forest-based communities, and they are also limiting the amount of recreational open space and critical wildlife habitat we all enjoy. The Forest Legacy Program, administered by the U.S. Forest Service through grants to states, provides a mechanism and a small pot of federal funds for protecting forestland and the multiple benefits these lands provide. It is increasingly apparent, however, that the modest funds historically provided for this program, despite the significant increase in fiscal year 2001, is inadequate to meet the enormous current and future projected demand.

The Forest Legacy Program must be funded at a minimum of $100 million annually on a dependable basis to meet the nation's need for conserving large tracts of forest with a variety of tools, including easements and acquisition. Legacy is an essential tool in land conservation because it enables a public/private partnership for protecting the many public benefits of large tracts of forest land.

FOREST LEGACY FUNDING IN THE NORTHERN FOREST

It is clear that Forest Legacy will play a central role in completing the emerging conservation projects in the Northern Forest. Several of these projects are largely completed, and speak to the unqualified success of Forest Legacy when adequate funds are available. These projects include:

—*Nicatous Lake, Maine*.—A 22,000 acre project surrounding Nicatous and West Lakes, with easement terms that prevent harvesting along the 36-mile shoreline but allow it on the forested backland. The landowner, the Robbins Lumber Company—a family-owned, fifth-generation sawmill company—continues to harvest the white pine for its sawmill, while Champion International has the rights to harvest the remaining hardwoods.

—*Pond of Safety, New Hampshire*.—A 1,200 acre project sandwiched between the northern and southern segments of the White Mountain National Forest. Here a Forest Legacy easement prevented the necessity of expanding the National Forest boundary. The landowner, Hancock Timber Resources, opted to sell the property outright. The fee portion was sold to the town of Randolph while a Forest Legacy easement was granted to the State of New Hampshire. Randolph will harvest the timber to generate local revenues, while the easement to the state will ensure that this unique tract remains undeveloped—thereby maintaining the historic recreation and scenic attributes that distinguish the White Mountains. The net result is that the effort will keep the local economy strong in two ways: first through direct timber revenues and second by providing continued recreational access to the White Mountains.

Yet a great deal remains to be accomplished. Below is a small sampling:

—*West Branch Project, Maine*.—An ambitious and unprecedented project to conserve 656,000 acres along the West Branch of the Penobscot River in the heart of Maine's North Woods, this public-private undertaking will prohibit development, preserve traditional public access, and allow continued commercial forest management, while protecting precious ecological, recreational and scenic resources. The Forest Legacy Program was instrumental in securing phase I of this project in fiscal year 2001, but the all important Phase II will safeguard

such remarkable features as the headwaters of the St. John River, the West, South and North Branches of the Penobscot River and other shore, mountain and ecologically significant areas.

—*The International Paper Lakes*.—Bordering the Whitney/Lake Lila Wilderness Area, in the Oswegatchie Wildland, are miles of forested tracts containing numerous lakes and historic canoe routes, long closed to the public. 26,500 acres, still owned by International Paper, are an excellent candidate for state acquisition of the Forest Preserve or a sustainable forestry easement.

—*West Mountain, Vermont*.—The 22,000 acres of the West Mountain Wildlife Management Area comprise a truly wild place of rare plants and tranquility, deep within Nulhegan Basin. It provides critical habitat for bear, moose, and bobcat, loons and bald eagles, and is a great draw for outdoor enthusiasts. Protecting remaining inholdings in this special place through the Forest Legacy program is the key to building a strong future for nearby Northeast Kingdom communities such as Island Pond, Burke and Bloomfield.

BUILDING PARTNERSHIPS

The Forest Legacy Program offers the opportunity for the federal government to work in partnership with states, local communities and private landowners to ensure that the multiple benefits found on forest lands—economic sustainability, wildlife habitat protection, and recreational opportunities—are secured for future generations. Since its inception, the program has proven extremely popular but unable to meet the demand across the nation. In fiscal year 2001, 22 states submitted funding requests for almost $120 million in Forest Legacy funding to help protect almost 1 million acres of private forestlands valued at almost $245 million. Yet only half of the $120 million was appropriated. In addition, several other states are planning to enroll in the program in the near future, increasing the demand for funding.

States currently enrolled in the Forest Legacy Program are: California, Connecticut, Delaware, Hawaii, Illinois, Indiana, Maine, Maryland, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington, Wisconsin and the Commonwealth of Puerto Rico. Several other states are currently developing plans for enrollment in the program or considering beginning the planning process.

Congressional support for the program has grown at the same rate, with funding levels increasing from $7 million in fiscal year 1999 to $30 million in fiscal year 2000 to the current level of $60 million in fiscal year 2001. Even at this level, however, several properties being offered for protection by willing landowners and states through the Forest Legacy Program could not be fully funded and will have to be carried over to the following year. The Northeast in particular has an abundance of worthwhile projects and documented needs for Forest Legacy funding which will go unmet unless Forest Legacy is significantly increased or other sources of funding are identified.

Given this documented and growing need, the Forest Legacy Program must be funded at a minimum of $100 million annually on a dependable basis to meet the nation's need for conserving large tracts of forest with easements. Legacy is an essential tool in land conservation because it enables a public/private partnership for protecting the many public benefits of large tracts of forest land. It is clear that Forest Legacy will play a central role in completing the emerging conservation projects in the Northern Forest.

FULLY FUND THE LAND AND WATER CONSERVATION FUND

We strongly urge Congress and the Administration to fulfill the promise made to the American people 35 years ago and fully fund the Land and Water Conservation Fund.

Last year more than 5,000 organizations representing a wide spectrum of American interests, including all 50 Governors, signed letters and petitions to Congress to approve the Conservation and Reinvestment Act, which provided full funding for the LWCF. Sixty-seven senators sent a letter to the Senate Majority Leader asking him to bring CARA to the floor for a vote, and the House of Representatives approved CARA overwhelmingly. A fully funded and revitalized LWCF would serve the people and communities of the Northern Forest and the country well. This well-tested, but often neglected program has an impressive legacy and has been responsible for the acquisition of nearly seven million acres of open space and the development of more than 37,000 parks and recreation projects.

People and policy makers across the Northern Forest and surrounding states have spoken clearly to the urgent need to take action to protect threatened forests. As

land sales change the ownership landscape across the Northern Forest, residents, elected officials, community leaders and conservationists are coming together to identify the next wave of opportunity for conservation. Rather than be blind-sided by mega sales and unwanted development, people across the region are assessing what is most important to them, their communities, and their way of life.

In response, the states have delved into their limited financial resources to provide funds for critical conservation: Maine voters recently approved a $50-million bond for land conservation, which must be matched by another $25 million investment; New York has allocated hundreds of millions of dollars for conservation through its Environmental Protection Fund and its Clean Water, Clean Air bond; Vermont provides a continuous stream of funding through its Housing and Conservation Trust Fund; and New Hampshire is on the verge of creating a new state program for protecting threatened lands.

Without a new partnership with the federal government, however, even these landmark state funding programs cannot meet the conservation challenges in the Northern Forest. Millions of acres of forest, clean rivers, and pristine lakes need to be protected in this most densely populated part of our country. We are poised now on the cusp of an historic opportunity to protect the cherished landscape of the Northern Forest, a mainstay of the economy, ecology and culture of the Northeast. Full funding for the Land and Water Conservation Fund is a critical component in assuring the success of the decade long struggle to achieve a sustainable future for the Northern Forest.

We challenge Congress to fully fund the Land & Water Conservation Fund at $900 million annually; to meet documented conservation need now and in the future.

Mr. Chairman, as we begin the 21st Century we are faced with an historic opportunity to conserve places of extraordinary natural and public value. The work of protecting and caring for these special places must be a partnership that engages government, businesses and non-profit organizations. But federal funds, leadership and expertise are a critical element of this partnership. We urge the continued commitment of Congress to work with the people of Maine, Vermont, New Hampshire and New York to protect these irreplaceable resources. Thank you for considering our request.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

The National Association of Conservation Districts (NACD) is the nonprofit, nongovernment organization that represents the nation's 3,000 conservation districts and more than 16,000 men and women who serve on their governing boards. Established under state law, conservation districts are local units of state government charged with carrying out programs for the protection and management of natural resources at the local level. They work with nearly two-and-half million cooperating landowners and operators—many of them forestland owners—to provide technical and other assistance to help them manage and protect private forestlands in the United States. In achieving their mission to coordinate and carry out all levels of conservation programs, districts work closely with USDA's Forest Service (FS) and state forestry agency programs to provide the technical and other help landowners need to plan and apply complex conservation treatments.

On behalf of America's conservation districts, I am pleased to provide our recommendation on selected conservation programs carried out through the U.S. Department of the Interior and through the U.S. Department of Agriculture's U.S. Forest Service. Conservation districts are actively involved in many states in the Forest Service's State and Private Forestry (S&PF) programs and consider those to be top priorities for private lands conservation. To that end, we are asking for increases in some of the S&PF budget items. Our request includes funding for our Private Forest Lands Fire Protection Initiative (PFLFPI), an effort to have the National Fire Plan draw more effectively on the capabilities and resources of conservation districts. Our specific recommendations include:

—$35 million increase in fiscal year 2002 for the Community and Private Lands Fire Assistance Program in the National Fire Plan to fund the PFLFPI to be allocated as described below;
—a $21 million increase over fiscal year 1901 in the Forest Stewardship Program;
—a $15 million increase over fiscal year 1901 in Urban and Community Forestry; and
—an $18 million increase over fiscal year 1901 in the Stewardship Incentives Program.

The National Fire Plan is a program in which conservation districts can be key players in the delivery of this federal initiative and its companion state efforts. We believe that the plan would benefit greatly if it took advantage of the local, on-the-ground experience of districts and their access to landowners and communities. A quick survey of the Western states and others across the country has shown that conservation districts are ready and willing to be involved in the National Fire Plan. We are calling our national effort the "Private Forest Lands Fire Protection Initiative."

NACD is concerned that the overall funds made available in the National Fire Plan currently are not benefiting from the local, on-the-ground access to landowners and communities. Current efforts are not gaining from districts' knowledge of local landowners, community resources and conservation needs. The nation's conservation districts, as partners with the key state agencies working on this effort, have an enormously important contribution to make. For this reason, we urge the subcommittee to include the following in report language accompanying its fiscal year 2002 appropriations bill supporting the National Fire Plan:

"The Committee expects the USDA Forest Service to work closely with the nation's conservation districts to help implement a wide range of actions in the National Fire Plan, including fuels reduction, market development and community assistance."

In addition, we recommend that the subcommittee provide $35 million for the Community and Private Lands Fire Assistance Program as part of the National Fire Plan. We request that these funds be allocated as follows: (1) $15 million for hazardous fuels reduction; (2) $9 million for community planning for long-term fire protection of these resources; (3) $11 million for multi-resource stewardship planning to ensure that hazardous fuels reduction is accomplished according to sound conservation principles.

State, local and tribal governments, and private individuals own nearly two-thirds of the forested land in the United States. Since these lands are managed by millions of individuals with diverse goals and objectives, the Forest Service's Cooperative Forestry Programs are critical in helping to maintain the health and ability of our nation's forests to produce the values and products desired by the American people.

The Forest Stewardship Program (FSP) provides the technical assistance for the development of Forest Stewardship Plans on non-industrial private forestlands. It is intended to help the nearly 10 million nonindustrial private forestland (NIPF) owners—who own 44 percent of the nation's forestland—better manage and use their forest resources. Cost-shared with the states, the FSP provides high quality technical and stewardship planning assistance that enable landowners to manage their lands for multiple use, while maintaining a robust forest ecosystem. A recent survey of the Forest Stewardship Program found that more than 80 percent of the landowners with plans are implementing them and that 94 percent of the respondents would recommend the FSP to others.

The number of landowners requesting assistance constantly outstrips the ability to provide assistance. To expand assistance to the ever-growing number of private, nonindustrial forestland owners, conservation districts recommend funding the Forest Stewardship Program at $50 million in fiscal year 2002. This roughly $21 million increase over fiscal year 2001 levels is needed to reach out to more than the six percent of landowners currently receiving these services.

Trees and forests are a vital component of healthy urban and suburban ecosystems. The Urban and Community Forestry Program (UCFP) provides leadership, in cooperation with states, for improving and expanding urban forest ecosystems in the nation's 45,000 towns and cities where 80 percent of our population resides. The UCFP provides technical support urban issues such as sprawl, fragmentation, wild land and urban interface. It also provides leadership for state of the art technology and grants to urban areas to improve quality of life through tree planting and urban health initiatives. More than 8,000 communities and 7,000 volunteer organizations participate in the program with requests exceeding these numbers by a factor of eight.

Nearly one quarter—24 percent—of the conservation districts that responding to an NACD forestry survey indicated that urban sprawl is a key forestry issue and 21 percent said forest fragmentation needs to be addressed. Further, recent satellite photography has shown a significant loss of tree cover in several large urban areas such as Atlanta and Washington, DC. To address these issues, conservation districts recommend funding for Urban and Community Forestry at $50 million in fiscal year 2002—an increase of roughly $15 million over current levels.

Overall, federal funding to assist nonindustrial, private forestland owners in implementing sustainable forestry practices is currently inadequate. The key Forest Service program to provide such assistance, the Stewardship Incentives Program (SIP), has received no funding in the last several years. Although the Environmental Quality Incentives Program (EQIP) does provide some forestry cost-share assistance, less than five percent of its funds are used to address forestry issues.

Responses to the survey mentioned above indicate that 63 percent of forestland owners who received cost-share assistance in the past would not have accomplished their management objectives without the cost-share. To include more forestland owners and increase the range of benefits from well managed private forestlands, conservation districts recommend funding SIP at $18 million in fiscal year 2002. The enclosed table shows funding recommendations for other Forest Service programs in which conservation districts are involved.

LAND AND WATER CONSERVATION FUND

The President's fiscal year 2002 budget proposes $450 million for Land and Water Conservation Fund (LWCF) state grants and expands the program to provide a new comprehensive approach to funding a wider array of state recreation and conservation needs. The proposal gives states flexibility to go beyond traditional recreational land acquisition and development projects. Conservation districts support fully funding the LWCF state grants and expanding eligible activities to include protecting fish and wildlife habitat, conserving threatened and endangered species, enhancing and restoring wetland ecosystems and other conservation activities as determined in State Action Agendas developed under the program.

FISH AND WILDLIFE SERVICE

The Partners for Fish and Wildlife Program offers technical and financial assistance to private landowners to voluntarily restore wetlands and other fish and wildlife habitats on their land. The program emphasizes the reestablishment of native vegetation and ecological communities for the benefit of fish and wildlife while meeting the needs and desires of private landowners. Conservation Districts have been major partners in the program, raising matching funds and sponsoring more than 900 wetland restoration projects.

Since 1987, the Partners for Fish and Wildlife Program (PFWP) has worked with more than more than 20,000 landowners to restore nearly a million acres of wetlands, native prairie, grassland and other upland habitats nearly 3,000 miles of riparian and in-stream aquatic habitat.

More than 2,000 landowners are on waiting lists for assistance under the PFWP. Conservation districts recommend raising the funding level for the program to $37 million in fiscal year 2002 to meet the needs of landowners and fish and wildlife on nonfederal lands.

The National Wildlife Refuge Fund was created to fully fund "payments in lieu of taxes" (PILT). These payments were designed to offset revenue lost by localities when refuge acquisition results in land being removed from tax rolls. A funding level of $20 million is needed to fund agreed-to levels of PILT.

BUREAU OF RECLAMATION

The U.S. Bureau of Reclamation (Reclamation) is the lead federal agency for supplying water to agricultural producers in the seventeen Western states. Reclamation initiated a Water Conservation Field Services Program (WCFSP) in 1997 to encourage the efficient use of water on federal projects, assist water districts develop and implement effective water conservation plans, and complement and support other federal, state, and local conservation program efforts. WCFSP is designed to provide technical and financial assistance in conservation planning, education, demonstration of innovative conservation technologies and implementation of effective conservation measures.

In 1998, Reclamation, NACD, the National Association of State Conservation Agencies and the Natural Resources Conservation Service initiated a "Bridging-the-Headgate" conservation partnership to promote collaboration through the WCFSP, and create new opportunities for working together between traditional "on-farm" and "off-farm" conservation assistance programs throughout the seventeen Western states. The initiative's purpose, in short, is to find ways to work together on the common goal of efficient water management. Conservation districts recommend funding the WCFSP at $20 million in fiscal year 2002.

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management (BLML) manages more than 264 million acres of land—about one-eighth of the U.S. land mass. The wealth of natural resources on these lands will continue to face challenges and expanded use as populations continue to grow in the Western United States.

Two years ago, at the urging of NACD and others, the Interior and Related Agencies Appropriations Act expanded the use of the Forest Ecosystem Health and Recovery Fund (FEHRF) within the Bureau of Land Management (BLM) to include additional forestry activities to maintain and enhance fish and wildlife habitat, support species diversity and produce other multiple forest benefits.

In spite of the availability of funding under FEHRF for projects, BLM lacks the personnel necessary to plan and administer authorized. Conservation districts have witnessed a steady 65 percent decline in the BLM forestry management budget since 1981. Adjusted for inflation over the same period, the entire Management of Lands and Resources Budget has declined 10 percent. Conservation districts believe that BLM needs to increase its forest management expertise to take advantage of FEHRF. Conservation districts recommend earmarking $1.6 million in fiscal year 1902 to support the equivalent of 24 forestry positions to plan and administer forest health improvement activities under FEHRF.

LOCAL AND PRIVATE CONSERVATION GRANTS

The President's budget proposal includes funding for two new programs that provide landowner incentives to expand private lands stewardship. The proposal provides $50 million for competitively awarded cost-shared landowner incentive grants and $10 million for private stewardship grants to support local, private and voluntary land and wildlife conservation. While conservation districts strongly support the voluntary, incentives-based concept underlying these proposals, sufficient details are not yet available to allow us to make specific recommendations.

OTHER RELATED AGENCIES

The Rural Abandoned Mine Program (RAMP), administered by USDA's Natural Resources Conservation Service (NRCS), addresses health, safety and environmental hazards by partnering with state and local governments to reclaim abandoned mine lands. However, over the past 20 years, only about 40 percent of the country's abandoned mine lands have been reclaimed.

RAMP has a proven track record in cleaning up hazards and pollution from abandoned mine lands. It also improves rural economies by stimulating job creation. A portion of the funds from the Abandoned Mine Reclamation Fund (AMRF) are intended to be transferred to NRCS to help defray the costs associated with mined land reclamation activities. Although the portion of the AMRF targeted for RAMP stands at $250 million, very little of those funds have been transferred in the past four years.

Conservation districts strongly support appropriating fully 100 percent of the fees collected from current mining activities for mine land reclamation programs. We recommend funding RAMP at a minimum level of $25 million in fiscal 2002.

On behalf of the nation's 3,000 conservation districts, we appreciate the opportunity to provide our views on fiscal year 2002 funding recommendations for select USDI and related conservation programs. We look forward to working with you over the next few months in finalizing your proposals.

Prepared Statement of the National Association of Professional Forestry Schools and Colleges

The National Association of Professional Forestry Schools and Colleges (NAPFSC) is comprised of the 67 universities that conduct the Nation's research, teaching, and extension programs in forestry and related areas of environmental and natural resource management. Many NAPFSC schools work in close partnership with the USDA Forest Service research program through extramural contracts and cooperative agreements.

NAPFSC's testimony will focus on a couple of issues. First, we would like to make some specific comments about the research planning and priority setting process within Forest Service research. Second, I want to reiterate NAPFSC's strong support for an increased focus within the Forest Service research agenda on non-federal forest land issues and the establishment of a competitive grants component within the Forest Service research program.

FOREST SERVICE RESEARCH, OUTREACH PLANNING AND PRIORITY SETTING

The Forest Service should be commended for driving much of the decision making about research priorities to the individual research station level. The scientists and administrators at this level are much closer to the ground and the needs of managers in the various federal and nonfederal forests in the nation. This is important since there is great variety in the forest and range lands of this country and since many of the research needs vary from region to region-specific insect problems in one region, different social and cultural patterns in another region, wildlife needs that vary from one region to the next, and so forth.

In an effort to improve Forest Service priority setting for outreach and cooperative programs, NAPFSC encourages the Interior Appropriations Subcommittee to urge the Forest Service to improve the functioning of the State and Private Forestry (S&PF) operations by including the following language within the fiscal year 2002 Interior Appropriations bill.

"The Committee directs the Forest Service to develop a plan within 90 days of the enactment of this bill to establish a S&PF Area Office to deliver cooperative programs in the Western U.S. Further, the Area Office should be co-located with a Forest Service regional office, research station, or university forestry school. In addition, managers direct the Forest Service to reestablish the Southeastern Area office situated in Atlanta, Georgia."

By including this provision within the subcommittee report, Members will be establishing a western office based upon the model of the Northeastern Area office. S&PF functions very efficiently and effectively with the Northeastern Area office, but functions much less efficiently in the Southeast and the Western regions. The language would create similar direction, implementation, coordination, and reporting in each region. Specific benefits would be:

—Recognition of the unique mission area of S&PF;
—An increase in the ability of stakeholders to participate in the development of priorities and implementation of programs;
—Bring programs closer to stakeholders, and;
—Improvement in program efficiency, visibility, and communication in each region.

One major concern NAPFSC has with the current process of priority setting is that university research programs are often left out as the Forest Service identifies and formulates research priorities, even though in recent years between 8–15 percent of the research funds of the Forest Service have been directly spent through university research programs. Based upon our information, NAPFSC believes the percentage of collaborative research between the Forest Service and universities has been flat or may actually have declined in recent years, even though Congress has urged that more Forest Service research dollars be spent through extramural programs. NAPFSC commends the House Subcommittee for the language included under Forest and Rangeland Research in the fiscal year 2001 Interior Appropriations report calling for additional collaboration: "The Committee stresses the need for collaborative research with land managing agencies, private and public forest managers, and especially, universities."—(pg. 74, H. Rept. 106–646)

We often find that the Forest Service research program is not nearly as coordinated as it might be with university research initiatives, possibly leading to suboptimal allocation of resources. At times, it seems the Forest Service is reluctant to bring university partners into their planning early in the process, yet for the forestry research enterprise to be effective and efficient, collaboration in planning is absolutely necessary among these two major players in forestry research. This is especially true where the Forest Service needs the universities to carry out some of the research they have planned. Two immediate benefits of such increased collaboration would be greater emphasis on major research activities (providing more bang for the same buck) and the building of larger research teams, thus providing more scientists to attack specific problems from multiple perspectives.

Greater inclusion of university scientists and administrators in the Forest Service research priority setting process would also allow universities to be more supportive of the proposals that come through the Administration's budget. It has often been the case that we only learn about new Forest Service initiatives after the budget proposal is released. At this point it is past time to really influence priorities and too late to build support for those where support is warranted. It often is too late to consider a collaborative and more cost-effective approach to the purely internal research program being proposed. It also is too late for the Forest Service to gain the insight it could use to develop an effective and efficient program of research that builds on the total natural resource research capacity of the Nation.

We believe that the Forest Service can maximize the benefits of its research dollars by increasing the share of its budget committed to cooperative agreements with our nation's universities. We believe a goal for these cooperative agreements of 15–20 percent of the Forest Service research budget is achievable and would increase the overall return on the research dollars appropriated to the Forest Service. We urge the Committee to direct the Forest Service to ensure that such a goal for collaborative efforts is met. We would suggest language such as:

"The Committee is aware that reduced timber harvesting from public forests has greatly increased the demands on the nation's private forest lands as a source of wood and fiber. These same non-federal lands are also under increasing pressures for recreation, wildlife, and environmental quality. The Committee urges the Forest Service to increase its research focus on private land issues, including forest productivity, water quality, and sustained management, and to expand its collaborative research efforts with the nation's forestry schools. The Committee urges the Forest Service to ensure that at least 15 percent of its overall research budget is committed to such collaborative research activities."

THE CASE FOR ENHANCED FORESTRY RESEARCH AND OUTREACH FUNDING

The Bush Administration fiscal year 2002 budget calls for level funding for Forest Service's Forest and Rangeland Research at $235 million, but cuts more than $33 million from the fiscal year 2001 funding level of $271 million for Forest Service State and Private Forestry. NAPFSC urges the committee to at least provide level funding for both of these important Forest Service research and outreach programs.

The past, present, and future success of forestry research and extension activities arising from the NAPFSC member institutions results from a unique partnership involving federal, state, and private cooperators. Federal agencies have concentrated on large-scale national issues while state funding has emphasized applied problems and state-specific opportunities. University research in contrast, with the assistance of federal, state and private support, has been able to address a broad array of applied problems related to technology development and fundamental biophysical and socioeconomic issues and problems that cross ownership, state, region, and national boundaries.

The 1998 Farm Bill and various subsequent reports and conference proceedings have identified the need for greater attention on the emerging issues confronting non-federal forest landowners. NAPFSC is pleased to be one of the cofounders of the National Coalition for Sustaining America's Nonfederal Forests. The founding of the Coalition and its subsequent report emerged from a Forestry Summit held in 1999 that brought together key forestry leaders and landowners from across the nation. The outcome of the Summit confirmed the need for increases in forestry research funding focused on non-federal lands and for an increase in collaborative efforts between university-based research and the federal agencies. We urge the Subcommittee to see that these congressional goals are achieved in future Forest Service research agenda.

Tremendous strains are being placed upon the nation's private forest lands by the combination of increasing demands for forest products coupled with dramatic changes in timber policies concerning our National Forests. Because of the changes in federal forest policy, private forest lands in the United States are now being harvested at rates not seen since the beginning of the 20th century. To meet this challenge, research priorities must be adjusted to better address the needs of private landowners, and to specifically enhance the productivity of such lands through economically efficient and environmentally sound means.

NAPFSC urges the creation of a new program entitled "Technology Transfer and Applied Research" to forestry schools under the Cooperative Forestry Program in the State and Private Forestry (S&PF) budget. NAPFSC recommends the following language be included in the Interior Appropriations fiscal year 2002 Subcommittee report:

"The Committee directs the Forest Service to create a Technology Transfer and Applied Research (TTAR) line under the Cooperative Forestry Programs in the S&PF budget and direct the S&PF staff to establish criteria for a challenge cost share program by consulting with forestry schools eligible to receive funds under the McIntire-Stennis Cooperative Forestry Research Act. Criteria may include cost sharing, duration of funding, linkage to state forestry agency efforts, linkage to basic and applied research conducted by the subject schools or the USDA Forest Service Research and Development, addressing critical state needs, and multi-school or multi-state cooperation. General themes for this new line may be forest productivity, critical forest management information and analysis, and forest fire, or they may

vary in consultation with the regions (Northeast, Southeast, and West). Funds would be equally allocated between the three regions. This Technology Transfer and Applied Research (TTAR) program is funded in fiscal year 2002 at $5 million."

While some of the funds from the various programs within the Cooperative Forestry Programs find their way to forestry schools, typically via state forestry agencies, there is no program that specifically links S&PF with university forestry schools and the considerable forestry school based research and technology transfer capabilities and networks in those states and institutions. This new program would establish such a link and would greatly strengthen cooperation among S&PF, state forestry agencies, forestry schools, industry, and non industrial forest landowners (via the numerous university connections with these entities in states). The partnership would provide an effective vehicle for technology transfer of research results from USFS Forest Service Research and Development units. Also, such a partnership and funding would greatly strengthen the targeting, timeliness, and effectiveness of technology transfer and applied research focused on state needs relating to stewardship, critical information development and analysis, etc. This funding and link would be a significant step in addressing the nonfederal forest land research and information needs expressed in the recent report "A National Investment in Sustainable Forestry" prepared by the National Coalition for Sustaining America's Nonfederal Forests in June 2000.

Lastly, NAPFSC believes it is very important that this be funded with additional funds to the Cooperative Forestry Programs. This new line item should complement rather than compete with the existing set of programs.

CONCLUSION

The needed investment for these programs is substantial, but the potential returns are enormous and crucial to our society's future. Disciplined and rigorous implementation of research on forestry issues will contribute greatly to attaining our vision for America's nonfederal forests for the future. NAPFSC urges cooperation at federal, state, and University's levels to make this research and the vision it will support a reality.

PREPARED STATEMENT OF THE SOUTHERN ENVIRONMENTAL LAW CENTER

The Southern Environmental Law Center is an environmental advocacy organization focused on protection of the natural resources of the southeastern United States. Among our highest priorities is the conservation of healthy forest ecosystems within our region. Toward this end, we work closely with a diverse set of ally organizations, including the North Chickamauga Creek Conservancy, the Tennessee River Gorge Trust, the Lula Lake Land Trust, Georgia Forest Watch, the South Carolina Coastal Conservation League, and the Southern Appalachian Forest Coalition (a regional coalition of 18 forest conservation organizations in this mountain region). On behalf of SELC and these partner organizations, I offer the following testimony in support of funding the Forest Legacy Program of the U.S. Forest Service at a minimum level of $100M, as well as full funding of the state and federal sides of the Land and Water Conservation Fund. As outlined below, these programs are essential to the conservation of forestland and other special areas in our region.

The above-mentioned conservation groups are active in the southeastern states of Tennessee, Virginia, North Carolina, South Carolina, Georgia, and Alabama, a region with extensive, relatively undisturbed forest lands and other natural areas. The magnificent mixed hardwoods of the Southern Appalachian forests provide a focal point for shared cultural, recreational, and natural heritage values from Virginia to Alabama. Equally impressive is the extensive coastal plain, which partially encircles our region from eastern Virginia through the two Carolinas and across the southern stretches of Georgia and Alabama. This coastal subregion also boasts its own cultural uniqueness and special natural heritage, including extensive forested wetlands. Linking the mountains and the coastal plain are the great river systems of the Southeast, flowing down from the ancient mountains across the intervening piedmont to the Atlantic, the Gulf and the Mississippi River. Within each of these subregions, critical needs exist for conservation efforts, which can only occur with significant federal funding.

THE NEED FOR INCREASED CONSERVATION FUNDING

While ample conservation opportunities still exist here, the South is under unprecedented development pressure due to rapid population growth. The South (broadly defined from Maryland around to Texas) grew by an impressive 17 percent

during the 1990's,[1] adding some 15M people to reach a total population of 100M. This gain in population was greater than any other region of the country over the past decade. At the heart of this Southern growth are several of our southeastern states, some of which grew at phenomenal rates: Georgia by 26 percent and North Carolina by 21 percent, for example.

This population growth, coupled with our sprawling land use patterns, means that the Southeast is now experiencing a rapid conversion of undeveloped land to urban and suburban uses. In a recent study of land conversion nationwide, Georgia, North Carolina, Tennessee, and South Carolina all ranked in the top ten states with respect to the most land converted to developed uses in recent years.[2] Between 1992 and 1997, North Carolina lost 101,000 acres of undeveloped land annually, Tennessee another 80,000 acres annually, and South Carolina 72,000 acres annually. Many of the lost acres were forestland, which is discussed below, in connection with the Forest Legacy Program. These figures on population growth and rural land loss indicate that the Southeast has an urgent need for conservation dollars. If we cannot seize the current opportunities to conserve undeveloped lands in our region in the immediate future, that opportunity may well be lost forever.

The conservation of these undeveloped areas has great significance for the quality of life, economic health, and natural heritage of our region. In several states, the tourism and recreation industry ranks with the very top tier of industrial sectors in economic importance. The viability of this part of our economy is largely dependent on the maintenance of scenic beauty and open space, as well as wildlife and aquatic habitat for hunting and fishing.

Investing in land conservation in this region is also extremely important to the ecological diversity of our nation. The Southeast is one of the two regions with the highest ecological community diversity in the United States. Within the Southeast, the Atlantic and Gulf coastal plains and the Appalachian highlands are the hotspots of ecological diversity. These are also two of the areas most threatened by current trends. For example, the recently completed North Carolina Chip Mill Study[3] found that 80 percent of bird species of conservation concern, 95 percent of reptile species of conservation concern and all amphibians of conservation concern on the North Carolina coastal plain are projected to be negatively impacted by forest trends over the next 20 years. Protection of our region's natural forest ecosystems such as longleaf pine, forested wetlands and mature hardwoods is crucial to maintaining the outstanding ecological diversity in the Southeast.

PROTECT FOREST LAND THROUGH THE FOREST LEGACY PROGRAM

Forestland in the Southeast is, however, now at significant risk due to the population growth and economic development of recent decades. From 1992 to 1997, forests were the land use type most commonly converted to developed uses.[4] North Carolina is, perhaps, being most adversely affected in terms of absolute numbers of acres lost. This state lost 53,000 acres of forestland annually during the most recent reporting period (1992–97) and 79,000 acres annually during the previous reporting period (1987–1992). The rate of forest land loss, however, is a particular concern in Tennessee where the number of acres lost has recently (1992–97) jumped 13-fold from previous years (1987–1992).

Faced with these alarming trends, several southeastern states have enrolled in the Forest Legacy Program, which has the statutorily mandated purpose of conserving "environmentally important forest areas." 16 U.S.C. § 2103c(a). Tennessee and the two Carolinas were the earliest participating states from our region, with Virginia and now Georgia joining the effort.

The initial projects in the Southeast testify to the importance of the Forest Legacy Program in our region. Previously appropriated Forest Legacy dollars have enabled several successful conservation projects. For example, South Carolina wisely used its fiscal year 2000 appropriation of $1M for the purchase in fee simple of 571 acres adjoining the spectacular Jocassee Lands, part of the Blue Ridge Escarpment which stretches from the Chattooga River to the Mountain Bridge Wilderness. In Tennessee, federal funding of $2.3M in fiscal year 2001 is enabling the North Chickamauga Creek Watershed project to move forward with acquisition of conservation

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[1] Perry, Marc J. and Paul J. Mackun. *"Population Change and Distribution: 1990 to 2000."* U.S. Department of Commerce, U.S. Census Bureau. April 2001.

[2] USDA Natural Resources Conservation Service. "Summary Report: 1997 National Resources Inventory (Revised December 2000)". Table 2. p 21. 2000.

[3] Cubbage, F., D. Richter, R. Schaberg and P.B. Aruna. *Economic and Ecological Impacts Associated with Wood Chip Production in North Carolina.* Southern Center for Sustainable Forests. 31 July 2000.

[4] USDA. *"1997 National Resources Inventory."*

easements on some 5,000 acres. These tracts are part of a 39,000 acres watershed in the fast growing Chattanooga metropolitan area containing numerous endangered, threatened and rare species as well as unique scenic and cultural values.

In addition to these already initiated projects, significant additional Forest Legacy opportunities exist throughout our region. Some of these are truly "once in a lifetime" opportunities which are related to the extensive disposition of forest industry lands which is currently underway. The most recent Tennessee Forest Inventory and Analysis indicates, for example, that the forest industry owned approximately 10 percent of the forest land in that state, or some 1.4M acres. According to a report by the Tennessee Forest Commission, this ownership pattern is changing dramatically, with almost half a million of those acres recently sold or currently up for sale.[5] Similar restructuring by the forest industry in other states is creating additional, truly historic opportunities for public land acquisition throughout the Southeast.

Specific examples of worthy projects in need of immediate funding through the Forest Legacy Program include the following:

—*South Carolina*.—Coastal Forest Ecosystem Restoration Initiative, Phase II—$10 million for the acquisition of conservation easements and fee simple rights on 22,000 acres along the Pee Dee river, protecting black and red river swamps, near the Waccamaw National Wildlife Refuge. This project is particularly significant given the alarming rate of loss of forested wetlands in the Southeast in recent decades.

—*Tennessee*.—Tennessee River Gorge and North Chickamauga Creek Watershed projects, including the Aetna Mountain and Gwynn tracts, respectively—The first-mentioned tract is a 2,400 acre area, partially abutting already protected lands, comprised of mature upland forest dissected by deep gorges with mature cove hardwoods. Acquisition of a conservation easement on the 3,400 acre Gwynn tract, adjoining the 26,000 acre Prentice Cooper State Forest near Chattanooga, would provide conservation linkage between these two ongoing land protection initiatives in the North Chickamauga Creek and Tennessee River Gorge Forest Legacy Areas. (Tennessee is requesting a total of $10.7M for 12 projects covering 8,735 acres in fiscal year 2002.)

—*North Carolina—Shocco Creek*.—$2.9 million for the fee simple acquisition of 1283 acres of floodplain surrounding the only stream known to contain two specific federally endangered mussels. This is only 1 of 6 preliminarily identified projects, totaling some $8.5M in Forest Legacy requests.

PROTECT SPECIAL PLACES THROUGH THE LAND AND WATER CONSERVATION FUND

Also critical to conservation efforts in the Southeast is the full funding of the Land and Water Conservation Fund. After an unfortunate hiatus in needed support, last year's federal appropriation began to revitalize this popular program. It should be fully funded in this and coming years in order to take full advantage of important land conservation opportunities in the Southeast and across the country. A wide variety of projects (urban and rural, large and small) have been identified through our six state region and enjoy support from diverse constituencies, ranging from urban recreation users to backcountry hunters and fishers.

While LWCF enables the states and multiple federal agencies to complete many different kinds of projects, several proposed additions to our public lands in the Southeast are especially noteworthy. While our region is home to several of the most extensive National Forests in the East, these lands tend to be highly fragmented. Accordingly, their recreational, scenic and ecological values can be significantly enhanced by acquisition of nearby parcels from willing sellers. A few of the projects in need of immediate LWCF funding in our region, all of which have been rated as national priorities by the Forest Service, are provided here:

—*Chattahoochee River (GA)*.—$2.7M—This 160 mile long buffer along the river would protect forests and provide open space to communities.

—*Chattooga Wild & Scenic River/Watershed (GA/NC/TN)*.—$4.3M. This river corridor traversing three states has been a long-term national priority for watershed-based conservation efforts.

—*Francis-Marion Forests & Wetlands (SC)*.—$7.0M. Additions to this national forest on the coastal plain of South Carolina would help complete a public land base generally known both for its longleaf pine and low-lying wetland forests.

— *Lake James (NC)*.—$5.0M. These parcels on the fragmented, eastern edge of the Pisgah National Forest enjoy strong local support for public acquisition due to encroaching development.

[5] Tennessee Forestry Commission. "Tennessee Forest Industry Lands." January 30, 2001.

In closing, Mr. Chairman, the above-listed conservation organizations from the Southeast strongly support both full funding for LWCF and greatly increased appropriations for the Forest Legacy Program. We appreciate this opportunity to acquaint you with the significant conservation opportunities that exist in our region at present as well as the urgent need for federal support to move forward with protection of forestland and other special areas in the Southeast.

PREPARED STATEMENT OF THE SOUTHERN APPALACHIAN FOREST COALITION

It is our pleasure to submit this testimony on behalf of the Southern Appalachian Forest Coalition (SAFC), a collaborative alliance of 18 conservation organizations working to protect the native forests of the southern mountains from Virginia to Alabama. Our comments focus on funding for the national forests of the Southern Appalachians, with an eye toward conserving these biologically rich and much-loved public lands. To accomplish that overarching goal, we ask that the following steps be taken in the appropriations process for fiscal year 2002:

REDUCE TIMBER SALE SUBSIDIES FOR THE U.S. FOREST SERVICE

Budget priorities and incentives that favor timber production over other uses perpetuate management problems on the National Forests. Over $1,200,000,000, or one third of the agency's budget request for fiscal year 2001, is allocated for logging including outlays for timber sale planning, timber management, road expenditures, and reforestation activities. To put the timber budget in perspective, appropriations for watershed, wildlife, and recreation programs combined comprise only 11 percent of the agency's budget.

Logging continues to damage forest ecosystems at great cost to the American taxpayer. In 1998 alone, the Forest Service documented that the timber program cost $125,900,000 more than the revenue it generated. This is an underestimate, as the Forest Service's accounting methods do not include all the costs associated with the timber program. For instance, the annual Timber Sales Program Information Reporting System (TSPIRS) excludes the payments the Forest Service makes to counties based on timber sales on federal lands.

Even the U.S. Congress has acknowledged the problem of the money-losing timber program. The Congressional Budget Office has produced a report addressing this problem which can be viewed at ftp://ftp.cbo.gov/27xx/doc2731/300.pdf. The report estimates the funds that would be conserved in the federal budget if money-timber sales were eliminated. Total savings over the period 2002–2011 would be an astonishing $1,600,000,000 (relative to current appropriations, and adjusted for inflation). The report notes the drawbacks of below-cost timber sales: "They may lead to reductions in the federal surplus, excessive depletion of federal timber resources, and the destruction of roadless forests that may have recreational value" (page 2). Meanwhile, Forest Service RPA data (1995) show that the economic benefits of forests left intact for recreation are thirty times greater than the economic value of forests harvested for their timber.

INCREASE FUNDING FOR LEGITIMATE RESTORATION SUCH AS ROAD DECOMMISSIONING AND OBLITERATION, INVASIVE SPECIES, STREAMSIDE REHABILITATION, SPECIES REINTRODUCTION, AND SIMILAR CONSERVATION OBJECTIVES

While the timber program never lacks sufficient appropriations from Congress, nontimber-related programs suffer for lack of adequate funding. Funding for road maintenance and obliteration is an important example. Over 433,000 miles of road criss-cross the National Forests. The Forest Service estimates that 82 percent of these roads are not maintained to modern public safety and environmental standards. The agency estimates that there is an $8,000,000,000 backlog in reconstruction and maintenance on these roads. Funding for road maintenance, decommissioning, and obliteration are investments in future dividends—in the form of improved wildlife habitat for species that avoid roads (such as black bears)—and also are insurance against degradation of water quality and fish habitat, since roads in poor condition are a major source of sediment runoff into streams.

Wildlife and fisheries programs are also considerably under-funded. A significant portion of the funds allocated to wildlife and fisheries programs are devoted to assessing the impacts of extractive activities on terrestrial and aquatic species. Because agency ecologists, biologists, and hydrologists spend so much time predicting impacts from extractive pursuits such as logging and mining, they often cannot work proactively to improve and protect habitat. The Forest Service manages more acres of freshwater fish habitat than any other agency. In addition, almost 65 per-

cent of all listed aquatic species in the U.S occupy habitat on public lands. In order to accomplish true multiple-use objectives we need to increase funding for activities that will restore and enhance existing fish and wildlife habitat.

FULLY FUND THE FOREST SERVICE ROADS POLICY

The Road Management Strategy Rule and Policy was published in the Federal Register on January 12, 2001. The overall emphasis of the new strategy is to "balance scientific information, public needs, safety and environmental protection, and funding levels." The Strategy proposes an important shift in emphasis from "transportation development" to "managing access within the capability of the land." It provides programmatic guidance for future management of the Forest Service's road network; it does not make on-the-ground land management decisions. Such decisions—e.g., how many miles of roads will be decommissioned, and what road density standards or limits to road construction should be observed in sensitive areas—will be developed through the Roads Analysis Process, a key component of the new strategy which will occur with input at the local forest level. This public process will require adequate funding to be successful; please provide full support for this important effort.

PROHIBIT FUNDING TO BUILD ROADS OR LOG IN ROADLESS AREAS, OR TO LOG OLD GROWTH FORESTS

The Roadless Area Conservation Rule, established in January of this year, enjoyed the greatest degree of public support in U.S. rulemaking history. Over 1,500,000 Americans submitted comments favoring this federal rule, which is awaiting implementation even as the President urges the Justice Department to find ways to overturn it. The effort to protect roadless areas goes back to 1926, when then-Chief William Greeley directed the Forest Service to conduct the first inventory of roadless areas. Please work to uphold the public's long-standing desire to protect these last intact national forest areas from road building and development.

The nation's last remaining old growth forests deserve similar protection. According to a 1995 study by the US Department of Interior's National Biological Service, less than 5 percent of the lower 48 states' original old growth forests remain. In the Southern Appalachians, that figure is smaller still. Even so, SAFC has supported field inventories of remaining old growth forest in North Carolina that are now accepted by our national forest planners. Old growth is recognized as having great ecological and economic importance. These forests act as repositories for genetic diversity, harbor medicinal plants and potential new treatments for disease, provide critical habitat for a great variety of wildlife, and are sources of drinking water for downstream communities. What is more, economists understand that preserving these incredibly beautiful forests contributes to the high quality of life which draws new businesses—from recreation to high technology—to rural communities, helping to diversify the local economic base. If leading corporations including The Home Depot can pledge to end use of old growth wood, isn't it time for federal policies to bring an end to the destruction the last of the oldest, tallest living things on earth?

EARMARK FUNDING FOR MAPPING AND INVENTORYING OLD GROWTH FORESTS ON NATIONAL FOREST LANDS

Former Chief Michael Dombeck announced in January that the agency is to complete old growth mapping and inventories as soon as possible. His announcement validated a de facto old growth mapping effort that has been ongoing on some of our region's national forests (the North Carolina National Forests, and the George Washington and Jefferson National Forests). The remaining Southern Appalachian national forests need to join in. Adequate funding and direction from Congress to complete this important work is critical now.

INCREASE FUNDING FOR LISTING ENDANGERED SPECIES AND CRITICAL HABITAT (USFWS)

Each year Congress allocates some $200,000,000 on endangered species conservation for over 1,100 listed species. Recent history shows that the Endangered Species Program is grossly under-funded. A 1990 Department of Interior Inspector General's report emphasized this funding shortfall, noting: "It is obvious that the Service's [ESA] mission cannot be fully accomplished at present funding levels." Last year, the Service placed a moratorium on any new species listings, citing a backlog in critical habitat designation and other required functions for already-listed species.

In the last 10 years ESA funding needs have increased tremendously: the number of listed species has doubled, increasing the need for recovery planning, implementation, consultations, and monitoring. Yet in that time, the funding for the program

has shrunk. Under-funding the program is a mistake that ultimately will have far-reaching effects. A recent article in U.S. News and World Report found that nature provides us with an estimated $33 trillion in services each year, including: (a) crop pollination from insects, bats, and birds; (b) proceeds from recreational fishing, wildlife and bird watching; (c) commercial uses of wild fish and plants; (d) animals and insects controlling crop pests; and more.

A fully-funded ESA is a more cost-effective ESA. With a program that provides protection to species as soon as possible, we will be able to catch species early in their decline before recovery options have become limited and recovery costs have skyrocketed. For species, funding means they will receive protection when they need it, rather than at the last minute when chances of long-term survival are grim. For landowners, as well as public land managers, full funding means that the agencies can respond to their need for permit or consultation more quickly, thereby avoiding costly and frustrating delays.

Endangered species funding is needed for:
—scientific assessments of wildlife populations
—buying important habitat areas in threat of development
—review of mining, logging, grazing, and other harmful actions
—recovery planning and on-the-ground conservation programs
—stopping illegal trade of endangered animals and plants

A century ago, your Congressional predecessors allocated "a sum not to exceed $5,000" to "investigate the forest conditions in the Southern Appalachian Mountain region" in the wake of rapacious commercial timbering. It is to their credit that the subsequent report by Secretary of Agriculture, James Wilson, led to the creation of the first National Forests east of the Mississippi River and the natural bounties we enjoy and depend upon today.

Similarly, it will be to your credit and the benefit of generations to come if we are to address the issues cited above in a robust and sustainable way. To do so will clearly require a sum far in excess of what was spent back in 1901. Yet rest assured that funds appropriated today toward the long-term health of Southern Appalachian forests will return dividends in the next century just as great, ecologically, socially and economically, as they were in the century past.

We thank you for this opportunity to comment, and wish you well in your deliberations.

PREPARED STATEMENT OF THE GEORGIA APPALACHIAN TRAIL CLUB

The Georgia Appalachian Trail Club is an organization with a principal purpose of protecting, managing, and maintaining the Appalachian National Scenic Trail, its associated side trails, and other designated trails in the state of Georgia. As a part of the protecting and managing function we sponsor programs to encourage the responsible use of public lands by hikers and campers and encourage observation of conservation ethics. We maintain the view that the preservation of the experience of enjoying the Appalachian Trail requires not only the protection of the trail corridor itself but the entire north Georgia region. To promote our goal of protecting the water, the plants, and wildlife in this area—all of which are important to users of the Appalachian Trail—we work closely with the Appalachian Trail Conference, Georgia Forest Watch, the Wilderness Society, and a number of state and federal agencies having management responsibilities for public lands in Georgia. As President of the Georgia Appalachian Trail Club, I present this testimony in support of funding the Forest Legacy Program of the US Forest Service at a minimum level of $100M and the full funding of the state and federal sides of the Land and Water Conservation Fund.

The forests of north Georgia are some of the most magnificent forests in the entire state. They also contain some of the most biologically diverse watersheds in the United States, and indeed the world. The Chattahoochee River originates on National Forest land and provides drinking water for over four million people. The rivers and forests not only supply drinking water but also supply recreational opportunities for a rapidly expanding Atlanta population. The southern terminus of the Appalachian Trail on Springer Mountain lies deep within the Chattahoochee National Forest. Last year, the Chattahoochee National Forest, including the trails in this forest, received over ten million recreational visits, a number which rivals the twelve million received by the Great Smoky Mountains National Park, the most visited National Park in the United States.

AN OPPORTUNITY AND A NEED

While ample conservation opportunities still exist here, north Georgia is under unprecedented development pressure due to rapid population growth. Georgia is now the 10th most populated state in the country with nearly 6.5 million people. The South (broadly defined from Maryland around to Texas) grew by an impressive 17 percent during the 1990's adding some 15M people to reach a total population of 100M. This gain in population was greater than any other region of the country over the past decade. At the heart of this Southern growth are several of our southeastern states, some of which grew at phenomenal rates: Georgia by 26 percent and North Carolina by 21 percent, for example.

This population growth, coupled with our sprawling land use patterns, means that the Southeast is now experiencing a rapid conversion of undeveloped land to urban and suburban uses. In a recent study of land conversion nationwide, Georgia, North Carolina, Tennessee, and South Carolina all ranked in the top ten states with respect to the most land converted to developed uses in recent years. Between 1989 and 1997, north Georgia lost over 90,000 acres of forest and agricultural land to development. These figures on population growth and rural land loss indicate that Georgia has an urgent need for conservation dollars. If we cannot seize the current opportunities to conserve undeveloped lands in our region in the immediate future, that opportunity may well be lost forever.

The conservation of these undeveloped areas has great significance for the quality of life, economic health, and natural heritage of our region. The attractiveness and viability of this region is largely dependent on the maintenance of scenic beauty and open space. Investing in land conservation in north Georgia is also extremely important to the ecological diversity of our nation. The Southeast is one of the two regions with the highest ecological community diversity in the United States. Within the Southeast, the Atlantic and Gulf coastal plains and the Appalachian highlands are the hotspots of ecological diversity. These are also two of the areas most threatened by current trends. For example, the recently completed North Carolina Chip Mill Study found that 80 percent of bird species, 95 percent of reptile species, and all amphibians on the North Carolina coastal plain are projected to be negatively impacted by forest trends over the next 20 years. Protection of our region's natural forest ecosystems such as longleaf pine, forested wetlands and mature hardwoods is crucial to maintaining the outstanding ecological diversity in the Southeast.

PROTECT SPECIAL PLACES THROUGH THE LAND AND WATER CONSERVATION FUND

Critical to conservation efforts in north Georgia is the full funding of the Land and Water Conservation Fund. It should be fully funded in this and future years in order to take full advantage of important land conservation opportunities. A number of projects have been identified in our north Georgia area and these projects enjoy support from diverse constituencies, especially campers, hikers and fishermen.

While LWCF enables the states and multiple federal agencies to complete many different kinds of projects, several proposed additions to our public lands in Georgia are particularly noteworthy. While Georgia is home to two of our National Forests in the East, these lands tend to be highly fragmented and are under intense pressure from urban sprawl. For example, the Chattahoochee National Forest in north Georgia is one of only two national forests in the eastern United States officially designated by the Forest Service as an "Urban" National Forest. This designation was derived from the fact that the Chattahoochee NF is within a short drive for over four million people. Accordingly, their recreational, scenic and ecological values can be significantly enhanced by acquisition of nearby parcels from willing sellers. A few of the projects in need of immediate LWCF funding in our state, all of which have been rated as priorities by the Forest Service, are outlined below. In each of these situations progress has been made toward the protection of these watersheds and ecosystems, but additional specific properties must be acquired to adequately protect these special areas.

—*Springer Mountain/Appalachian Trail Corridor—$1.5M.*—This mountain is the southern terminus of the Appalachian Trail. A critical property needed to protect the viewshed at this location has been identified.

—*Chattahoochee River (GA)—$2.7M.*—This 160-mile long buffer along the river would protect forests and provide open space to communities.

—*Chattooga Wild & Scenic River/Watershed (GA/NC/TN)—$4.3M.*—This river corridor traversing three states has been a long-term national priority for watershed-based conservation efforts.

Plus, an additional $1.3M for tracts in the following areas:

—*The Jacks River (GA).*—These tracts are on the main tributary of the Conasauga River, the most biologically diverse river in the U.S., and home to

92 species of fish—species that rely on unfragmented ownership to decrease ever-threatening non-point source pollution.

—*Mt. Yonah (GA).*—One of Atlanta's favorite mountain playgrounds, the purchase of this tract will expand the areas recreational capacity and reduce impact to rare and fragile botanical areas.

—*Etowah River (GA).*—This tract will increase the buffer on one of Georgia's most imperiled rivers. The Etowah is threatened by urban sprawl and second-home development.

FUND THE FOREST LEGACY PROGRAM

We support the full funding of the Forest Legacy program in our state. Georgia's draft Assessment of Need (AON) for Forest Legacy funding resulted in the identification of six areas in Georgia that could possibly benefit. These areas contain Georgia's most significant watersheds and unbroken forested lands. The full funding of Forest Legacy could result in as much as $500,000 this first year to purchase Conservation Easements from willing sellers.

In summary and closing, Mr. Chairman, the Georgia Appalachian Trail Club strongly supports both full funding for LWCF and greatly increased appropriations for the Forest Legacy Program. We appreciate this opportunity to acquaint you with the significant conservation opportunities that exist in our state at present and how these opportunities will support the protection and maintenance of the Appalachian National Scenic Trail in Georgia.

PREPARED STATEMENT OF THE APPALACHIAN PARTNERSHIP FOR EASTERN FORESTS

OVERVIEW

The Forest Legacy Program was created in the Farm Bill of 1990. The program was designed to provide a new funding source and mechanism for forest protection in the highly threatened forests of the eastern United States. The eastern forests, and particularly the charismatic Appalachian Forest, are at serious risk of permanent degradation and fragmentation from the nation's most rapid rates of development and timber harvest. Unlike the western United States, where many states have as much as half of the land base in public ownership, eastern forests are predominantly in private hands (84 percent) and unprotected.[1]

Management of these abundant private lands will become even more important in future years. The Forest Service projects that timber production from non-industrial private forestlands will increase by 64 percent over the next 50 years.[2] As it stands now, eleven of the top fifteen states in the nation for timber removals are in the eastern forests.[3] Almost two-thirds of the timber removals in eastern forests are from the lands of non-industrial private landowners.[4]

Development will also increase in this densely populated region. The population is booming in states like Pennsylvania, Georgia, and Massachusetts, leading to rapid development. From 1992 to 1997, Pennsylvania and Georgia ranked number two and three nationally in acres developed, over 1.7 million acres just between the two states.[5] All trends suggest that this rate of forest and farmland conversion will only increase.

The Forest Legacy Program can help right this balance by adding some lands to public ownership while protecting other lands kept in private hands through the use of conservation easements. The flexibility of the Forest Legacy Program enables governments and land managers to work harmoniously with local communities, crafting conservation strategies that fit each individual situation.

The Forest Legacy Program also takes advantage of the impressive commitment of states in the region to forest protection. States like North Carolina, New Jersey, and Vermont have been aggressive in funding protection for open space. Throughout the region states are setting aside unprecedented new sums for protection of natural areas, watersheds, and wildlife habitat. The Forest Legacy Program's matching requirement of 25 percent for each project assures that federal money from the program will be leveraged with state and private money for the maximum impact.

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[1] Hertel, Gerard. "The Eastern Non-industrial Private Forests". USDA Forest Service. 2000.

[2] Ibid.

[3] USDA Forest Service. "Net Annual Growth, Removals, and Mortality of Growing Stock on Timberland in the United States by Species Group, Region, Subregion, and State". 1996

[4] Hertel, ibid.

[5] USDA Natural Resources Conservation Service. "State Rankings by Acreage and Rate of Non-Federal Land Developed".

LOOKING FORWARD

The Forest Legacy Program has historically been used to protect forests in New England, with smaller sums going towards projects in other states scattered across the country. However, as pressures on forestlands have grown throughout the East, other states have hurried to join the program. Although the overall program allocation has grown somewhat, it has not increased quickly enough to keep up with overall demand. The appropriation in fiscal year 2001 of 60 million dollars was only half of the almost 120 million dollars in requests that came in from the 22 states in the program.

Now even more states are joining the program, including states like Georgia, Alabama, and Pennsylvania that have some of the nation's highest rates of timber removals and development. The need for Forest Legacy dollars will only grow more acute in the coming years.

The Forest Legacy Program requests for this year could easily reach 200 million dollars. In the Appalachian Forest and surrounding areas alone there are over 125 million dollars in identified Forest Legacy projects that would meet critical needs. Effective conservation of the eastern forests, including priority areas like the Southern Appalachians, Highlands, and Northern Forest, will require at least a 100 million dollar appropriation for the Forest Legacy Program in fiscal year 2002.

SAMPLING OF FOREST LEGACY PROJECTS IN THE EASTERN FORESTS

Northern Forest Region

West Branch Project, Maine.—An ambitious and unprecedented project to conserve 656,000 acres along the West Branch of the Penobscot River in the heart of Maine's North Woods, this public-private undertaking will prohibit development, preserve traditional public access, and allow continued commercial forest management, while protecting precious ecological, recreational and scenic resources. The Forest Legacy Program was instrumental in securing phase I of this project in fiscal year 2001, but the all important Phase II will safeguard such remarkable features as the headwaters of the St, John River, the West, South and North Branches of the Penobscot River and other shore, mountain and ecologically significant areas. This project will require $19,600,000 from Forest Legacy in fiscal year 2002.

The International Paper Lakes, New York.—Bordering the Whitney/Lake Lila Wilderness Area in the Oswegatchie Wildland are miles of forested tracts containing numerous lakes and historic canoe routes long closed to the public. 26,500 acres, still owned by International Paper, are an excellent candidate for state acquisition of the Forest Preserve or a sustainable forestry easement. This project will require $11,000,000 from Forest Legacy in fiscal year 2002.

West Mountain, Vermont.—The 22,000 acres of the West Mountain Wildlife Management Area comprise a truly wild place of rare plants and tranquility, deep within Nulhegan Basin. The area provides critical habitat for bear, moose, and bobcat, loons and bald eagles, and is a great draw for outdoor enthusiasts. Protecting remaining inholdings in this special place through the Forest Legacy program is the key to building a strong future for nearby Northeast Kingdom communities such as Island Pond, Burke and Bloomfield. This project will require $412,000 from Forest Legacy in fiscal year 2002.

Highlands Region

Sterling Forest, New York.—Sterling Forest is certainly one of the most remarkable conservation projects in the history of the Appalachian Forest. This large wildland of pure waters and interior forests just miles from New York City is threatened by development. Despite the incredible pressures to develop the land, a coalition of governments and private interests has used the Forest Legacy Program among other sources to begin to protect this special place. The ultimate result will be enduring clean water supplies, wildlife habitat and recreational opportunities for the nation's most densely populated region.

Newark Watershed Lands (Phase IV), New Jersey.—This critical basin in New Jersey contains one of the state's largest blocks of intact forest. The effort to preserve this land has been a multi-year effort. This phase includes 2,700 acres of land in West Milford and Rockaway Townships to be secured with a conservation easement that secures public access. The area is significant habitat for sensitive species including the barred owl, red-shouldered hawk, and bobcat. This project will require $5,000,000 from the Forest Legacy Program in fiscal year 2002.

Lake Gerard, Hardyston Township, NJ.—The protection of the Lake Gerard property has been of critical importance to the Trust for Public Land, the State of New Jersey and a broad coalition of conservation and municipal partners. The property, which is located within the Sparta Mountain Greenway, a Highlands Coalition Crit-

ical Treasure Area, includes nearly 2,000 acres of contiguous forest, pristine waterways and critical wildlife habitat. Acquisition would provide a link between Hamburg Wildlife Management Area and lands protected through NJDEP easements within the Newark Pequannock Watershed. The Lake Gerard property represents one of the finest large tracts of land in the fast developing New Jersey Highlands region. The project will require $4,000,000 from the Forest Legacy Program in fiscal year 2002 to protect 1,893 acres.

Southern Appalachian and Coastal Plain Regions

Coastal Forest Ecosystem Restoration Initiative, Phase II, South Carolina.—This project involves the acquisition of conservation easements and fee simple rights on 22,000 acres along the Pee Dee River, protecting black and red river swamps near the Waccamaw National Wildlife Refuge. This project is particularly significant given the alarming rate of loss of forested wetlands in the Southeast in recent decades. This project will require $10,000,000 from Forest Legacy for fiscal year 2002.

Tennessee River Gorge and North Chickamauga Creek Watershed, TN.—The 2,400 acre Aetna Mountain tract is a rich forest area partially abutting already protected lands, comprised of mature upland forest dissected by deep gorges with mature cove hardwoods. Acquisition of a conservation easement on the 3,400 acre Gwynn tract, adjoining the 26,000 acre Prentice Cooper State Forest near Chattanooga, would provide conservation linkage between these two ongoing land protection initiatives in the North Chickamauga Creek and Tennessee River Gorge Forest Legacy Areas. Tennessee is requesting a total of $10,700,000 from Forest Legacy for 12 projects covering 8,735 acres in fiscal year 2002.

Shocco Creek, North Carolina.—This project involves the fee simple acquisition of 1,283 acres of floodplain surrounding the only stream known to contain two specific federally endangered mussels. This project will require $2,900,000 from Forest Legacy in fiscal year 2002.

SUMMARY

The projects listed for each region are just a sample of the critical areas in the eastern forests at immediate risk from conversion to non-forest uses. Full funding of all the Forest Legacy project opportunities in any one of the three priority regions—the Northern Forest, Highlands, and Southern Appalachians—would consume almost the bulk of last year's 60 million dollar appropriation for the Forest Legacy Program. As our need for forest conservation in the eastern forests becomes more urgent, we must respond with increased funding for land protection.

Looking ahead, the Forest Legacy Program will have to grow at a rapid rate to continue to meet demand. Forest Legacy easements and acquisitions will be a critical piece of achieving universal public goals like preventing sprawl, protecting water supplies, and conserving forest wildlife habitat. Remarkably, the program's inherent flexibility has allowed us to achieve these goals without some of the conflicts surrounding other land management schemes.

The densely populated eastern United States is deeply dependent on these forests, as a source of clean water and air, wildlife habitat, for recreational opportunities, and as an enduring economic engine. Without a dramatic increase in funding for the Forest Legacy Program and other land protection programs, we may lose the eastern forests that are the source of life for rural and urban communities alike.

DEPARTMENT OF ENERGY

PREPARED STATEMENT OF THE COAL UTILIZATION RESEARCH COUNCIL

These written comments are submitted on behalf of the members of the Coal Utilization Research Council (CURC). The CURC is an ad hoc group of electric utilities, coal producers, equipment suppliers, state government agencies, and universities. Members of CURC share a common vision of the strategic importance for this country's continued utilization of coal in a cost-effective and environmentally acceptable manner. The CURC membership also believes that coal-based generation should be preserved to ensure a diversity of fuel supply, produce affordable and reliable electricity, maintain a strong U.S. economy and help stabilize the balance of payments.

INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

CURC has developed a strategic R&D program designed to ensure the continued use of our Nation's coal resources. The coal-based R&D program is described in a CURC technology "roadmap" which is an essential tool by which the CURC membership judges the adequacy and timeliness of R&D programs.

The roadmap identifies a number of advanced coal-based energy systems that, if fully developed, would insure continued cost effective, efficient and environmentally acceptable use of coal. Because the ultimate economic viability and technical feasibility of any single coal utilization technology cannot be assured, CURC strongly advocates the development of a portfolio of options. The roadmap identifies a number of high-priority, advanced coal-based power systems as well as the timeframes and performance requirements of the components for those systems. If critical components of a particular system are not developed in a timely manner, a promising technology may not materialize.

CURC believes that funding of the Department's fiscal year 2002 budget request as well as future funding requests should be guided by the roadmap's R&D goals. The CURC is very pleased to see that this Administration has recommended a significant increase in funding for cost-shared clean coal demonstrations. The new Clean Coal Power Initiative (a follow-on program to the Power Plant Improvement Initiative that Congress began in fiscal year 2001), is a welcome signal that there is a recognition of the need to conduct demonstration scale projects to provide assurances to industry that a technology will operate successfully at commercial (or near commercial) scale. In addition, the Clean Coal Power Initiative demonstrates the President's fulfillment of a promise he made during his campaign to initiate a 10-year and $2.0 billion clean coal program. The proposed Clean Coal Power Initiative is a welcome downpayment on that promise. The CURC supports the $150 million requested by the President and urges the Congress to grant the appropriations. It is exceedingly important, however, that these funds be utilized judiciously.

As the Committee knows, the Department has yet to select proposals from the on-going Power Plant Improvement Initiative. The CURC has steadfastly advised that funding should be granted to proposals that will demonstrate near commercial-scale applications of technologies. Moreover, because these projects are likely to be large and costly, it is anticipated that very few projects will be selected—providing support for a great number of proposals may defeat the purpose of a program designed to encourage commercial demonstrations. Appropriations to initiate the Clean Coal Power Initiative should be similarly directed; that is large scale, cost-shared projects should be anticipated and the technology criteria should be ever more demanding so that demonstrations in each subsequent year result in significantly improved means to use coal.

While we enthusiastically welcome the new Clean Coal Power Initiative, funding for this demonstration program should not be accomplished at the expense of the Department's on-going coal research and development program. These R&D programs are the means through which the President's decade-long demonstration program will be successful. It is the advancements that are made in research and development that will "feed" better and better demonstrations. In several important areas DOE's fiscal year 2002 budget request falls short and must be increased.

The CURC has examined the proposed fiscal year 2002 funding levels for several coal-based R&D programs against the timelines and objectives outlined in the Roadmap. In order to achieve timely technology development certain levels of funding must be maintained. By reducing, or in certain cases, eliminating funding, it is our contention that the technologies will not be developed in the timeframes required to insure that coal remains a dominant contributor to meeting the Nation's energy needs. In consideration of the technologies and goals identified in the roadmap, the CURC is recommending that the Committee modify the budget request as follows:

ADVANCED RESEARCH—Proposed fiscal year 2002 $19.5 million; CURC Recommendation: $23.5 million.—Advanced materials as well as basic science are central to technology improvements and increased funding is essential. CURC recommends that out of the funds included in this year's budget request a focus be maintained on work to advance high temperature heat exchanger materials, including novel alloys and ceramics. These materials are essential to power plant efficiency improvements. Of highest priority CURC recommends that $4.0 million in additional appropriations be provided to this account so that a program initiated by industry and government last year is continued over a several year period. The initiative is a cost-shared research program to develop new alloys for application in high temperature environments. These materials are essential to supercritical and ultra supercritical boilers if the promise of greater conversion efficiencies are to be realized.

INTEGRATED GASIFICATION COMBINED CYCLE (IGCC)—Proposed fiscal year 2002 $35.0 million; CURC Recommendation: $45 million.—Gasification of coal is projected to be the primary means by which significantly greater efficiency in energy conversion and emissions controls are to be achieved long term. To insure that IGCC systems achieve the technology and cost targets set forth in the CURC Technology Roadmap it is essential that primary subsystems are developed in a timely

fashion. Two such subsystems are the coal feed and ash removal systems. The recommended increase in funds should be utilized to accelerate work in these two important areas. The CURC also recommends that within the existing funding for this program DOE focus upon projects that will monitor existing gasification/IGCC plants for environmental emissions, especially trace elements. Funding should also be allocated for R&D on multi-contaminate controls.

PRESSURIZED FLUIDIZED BED (PFB)—Proposed fiscal year 2002 $8.0 million; CURC Recommendation: $10.0 million.—The CURC supports the continued development of PFB to insure that a variety of options by which coal can be converted to useful energy are developed. However, with limited funds, we have also concluded that an expanded R&D effort in PFB is not warranted. It is recommended that the Department use the increase in funds recommended for the PFB program to reorient this program towards supporting combustion/hybrid systems. In succeeding budget years, it is recommended also that the focus of this program be shifted towards novel systems that that rely upon both combustion and gasification to achieve high efficiency and emissions control.

TURBINES—Proposed fiscal year 2002 $0; CURC Recommendation: $15.0 million.—The turbines development program supported by industry and the U.S. DOE has accomplished very significant improvements in turbine technology of producing electricity from natural gas through their leadership of the Advance Combustion Turbine System (ATS) program over that last several years. Efficiencies of over 60 percent can be practically achievable by as early as 2005 using technologies developed in the ATS program.

DOE's Vision 21 goals present for coal-based technologies are projected to achieve efficiencies of over 60 present by 2015. To accomplish efficiencies that high will require combining coal gasification with advanced fuel cell technologies still in the development phase. Coal-based technology efficiencies can approach 50 percent by as early as 2010 if coal gasification can be combined with ATS class turbines, an intermediate step toward the 60 percent efficiency goal of 2015. However, before we can be certain that the ATS class machines can operate on coal-derived gas, tests must be performed by the turbine manufacturers. These tests are relatively low priority for the turbine manufacturers at this time since their first goal is to make sure that they can manufacture the machines and prove their operation on natural gas. Industry needs an incentive or federal help to increase the priority of testing these machines and related componentry on coal-derived gas not natural gas. Since DOE currently has the internal expertise to develop a test program for coal-derived gas, it will be more cost effective in the long run to keep that expertise and start the coal-derived ATS test program now rather than try to re-build that expertise at a later date. A coal-derived gas program will take 3 to 5 years to complete. If we wait until 2005 to begin a test program, it may be too late to allow ATS class turbines to enter the coal-gas market by 2010.

The most critical part of the coal-derived gas/ATS combination is the uncertainty in the burner/combustor performance. Burner/combustor performance, including life and environmental emissions cannot be predicted by mathematical models—the manufacturers must perform real tests on full-scale combustors. The $15 million recommended for fiscal year 2002 will provide sufficient funds to begin resolving the most important technical issues associated with burning coal-derived gas. Additional issues may be discovered during that test program.

TRANSPORTATION FUELS AND CHEMICALS—Proposed fiscal year 2002 $7.0 million; CURC Recommendation $30.0 million.—A fundamental issue regarding the future use of our Nation's vast coal resources is whether a significant R&D program should be maintained to develop technologies to convert coal to useful chemicals and clean transportation fuels. The CURC Technology Roadmap supports the aggressive funding of R&D programs conducted in cooperation with industry and the academic community to convert coal to chemicals or ultra clean transportation stationary fuels. The CURC does not support the dramatically reduced funding requests in this area and we urge the Congress to restore, and increase, funding for the coal to chemicals program as well as the coal component of the ultra clean fuels program.

SEQUESTRATION R&D—Proposed fiscal year 2002 $20.7 million; CURC Recommendation: $30.0 million.—The CURC agrees with the budget increase to this program area over fiscal year 2001 and recommends an additional $9.3 million so that actual field testing of promising carbon sequestration approaches can be initiated. Also, concurrent with sequestration R&D, analytical tools and methodologies need to be developed and applied to assess the technical, environmental, safety, permitting and economic feasibility of CO_2 capture, separation, and sequestration concepts. This will ensure that relevant know-how is available, tested and reliable, when needed. To achieve the goals set forth in the CURC Technology Roadmap within the timeframes set forth a significant amount of funding for this program

is required. Without additional funding, the program will be constrained to a bench scale exploratory effort.

INNOVATIONS FOR EXISTING PLANTS—Proposed fiscal year 2002 $18.0 million; CURC Recommendation: $21.0 million.—The existing fleet of coal-based generating facilities is facing ever increasingly stringent environmental restrictions. As a result, the need for cost-effective compliance options to maintain the fleet's economic viability is more pressing than ever. DOE is currently evaluating mercury and NO_X control concepts to establish mercury removal performance, reduce the cost of mercury and NO_X control, and increase generation reliability. To maintain the current schedule and meet EPA regulatory deadlines, this R&D effort requires added funding and a multi-year commitment. In addition, the Department's comprehensive fine particulate monitoring program should be fully funded (equipment is procured already) and studies related to the fine particulate matter source apportionment need to be continued. Evaluating the stability of HAPs captured in flue gas desulfurization processes, on fly ash, in scrubber gypsum and the fate of mercury in products made of these materials needs to be undertaken. As the EPA determines the regulatory requirements for HAPs it is important that the wastes from coal-fired power plants be managed in acceptable ways. Proposed funding in this area has been decreased by $3.0 million compared to fiscal year 2001. It is important that at least level funding be maintained in fiscal year 2002 and that the $3.0 million of added funds be focused upon the areas outlined above.

REASONS FOR THE CURC RECOMMENDATIONS

A number of specific and recent events add to the urgency of these recommendations. The dramatic increase in dependence upon imported petroleum products and the likely continuation of that dependency emphasizes the need for maintaining a variety of energy choices and options. While the nation's vulnerability to crude oil price fluctuations is somewhat removed from the sustained use of U.S. coal resources it nevertheless serves as a stark reminder that dependence upon one fuel—especially one not derived from domestic resources—is dangerous to our economy and our national security. Recent increases in natural gas prices may accelerate the time frame during which electricity power generators will consider the cost-effectiveness of new or refurbished coal powered generation as an alternative to natural gas. Natural gas has been viewed as the "fuel of choice" for new generation and predicted to be so for the near term. Increased gas prices not only change that outlook but, unless newer more advanced clean coal technologies are made available sooner than expected, new coal-based generation will be constructed using current technology, which is economical and reliable, but does not apply advances in both efficiency and maximum environmental performance. Also, worth remembering is the fact that major new natural gas capacity will be imported from western Canada to supply the U.S. Midwest and from the east coast of Canada to supply the Northeast. U.S. coal is the indigenous domestic primary energy source that will act as an anchor to pricing of other fuels.

Further, use of domestic coal resources will lend leverage and stability when there are political pressures elsewhere in the world that threaten to disrupt the economy as well as energy markets.

PREPARED STATEMENT OF THE CALIFORNIA INDUSTRY AND GOVERNMENT CENTRAL CALIFORNIA OZONE STUDY (CCOS) COALITION

Mr. Chairman and Members of the Subcommittee: On behalf of the California Industry and Government Central California Ozone Study (CCOS) Coalition, we are pleased to submit this statement for the record in support of our fiscal year 2002 funding request of $1,000,000 for CCOS as part of a Federal match for the $8.7 million already contributed by California State and local agencies and the private sector. This request consists of $500,000 from the Department of Energy (DOE), $250,000 from the National Park Service (NPS), and $250,000 from the Forest Service.

Ozone and particulate matter standards in most of central California are frequently exceeded. In 2003, the U.S. Environmental Protection Agency (U.S. EPA) will require that California submit SIPs for the recently promulgated, national, 8-hour ozone standard. It is expected that such SIPs will be required for the San Francisco Bay Area, the Sacramento Valley, the San Joaquin Valley, and the Mountain Counties Air Basins. Photochemical air quality modeling will be necessary to prepare SIPs that are acceptable to the U.S. EPA.

The Central California Ozone Study (CCOS) is designed to enable central California to meet Clean Air Act requirements for ozone State Implementation Plans

(SIPs) as well as advance fundamental science for use nationwide. The CCOS field measurement program was conducted during the summer of 2000 in conjunction with the California Regional PM10/PM2.5 Air Quality Study (CRPAQS), a major study of the origin, nature, and extent of excessive levels of fine particles in central California. CCOS includes an ozone field study, a deposition study, data analysis, modeling performance evaluations, and a retrospective look at previous SIP modeling. The CCOS study area extends over central and most of northern California. The goal of the CCOS is to understand better the nature of the ozone problem across the region, providing a strong scientific foundation for preparing the next round of State and Federal attainment plans. The study includes six main components:

—Developed the design of the field study
—Conducted an intensive field monitoring study from June 1 to September 30, 2000
—Developing an emission inventory to support modeling
—Developing and evaluating a photochemical model for the region
—Designing and conducting a deposition field study
—Evaluating emission control strategies for the next ozone attainment plans

The CCOS is directed by Policy and Technical Committees consisting of representatives from Federal, State and local governments, as well as private industry. These committees, which managed the San Joaquin Valley Ozone Study and currently managing the California Regional Particulate Air Quality Study, are landmark examples of collaborative environmental management. The proven methods and established teamwork provide a solid foundation for CCOS. The sponsors of CCOS, representing state, local government and industry, have contributed approximately $8.7 million for the field study. The federal government has contributed $500,000 for some data analysis. In addition, CCOS sponsors are providing $2 million of in-kind support. The Policy Committee is seeking federal co-funding of additional $8.5 million to complete the data analysis and modeling and for a future deposition study. California is an ideal natural laboratory for studies that address these issues, given the scale and diversity of the various ground surfaces in the region (crops, woodlands, forests, urban and suburban areas).

There also exists a need to address national data gaps, and California should not bear the entire cost of the addressing these gaps. National data gaps include issues relating to the integration of particulate matter and ozone control strategies. The CCOS field study took place concurrently with the California Regional Particulate Matter Study—previously jointly funded through Federal, State, local and private sector funds. Thus, CCOS was timed to enable leveraging of the efforts for the particulate matter study. Some equipment and personnel served dual functions to reduce the net cost. From a technical standpoint, carrying out both studies concurrently was a unique opportunity to address the integration of particulate matter and ozone control efforts. CCOS was cost-effective since it builds on other successful efforts including the 1990 San Joaquin Valley Ozone Study. Federal assistance is needed to address these issues effectively and CCOS provides a mechanism by which California pays half the cost of work that the federal government should otherwise pursue.

For fiscal year 2002, our Coalition is seeking funding of $500,000 from the Department of Energy (DOE) Fossil Program.—The California Energy Commission is a key participant, having contributed $3 million. Consistent with the recently signed memorandum of understanding between the California Energy Commission and the DOE, joint participation in the CCOS will result in: (1) enhanced public interest energy research-, development-, and demonstration-programs; (2) increased competitiveness and economic prosperity in the United States; and (3) further protection of the environment through the efficient production, distribution and use of energy.

The CCOS program coincides with DOE's initiative to develop the Federal Government's oil technology program. In fact, the oil industry in California has been working for several years with DOE to identify innovative partnerships and programs that address how changes in those sectors can cost-effectively reduce particulate matter and ozone-related emissions. This approach will likely result in new ideas for technologies to improve oil recovery technologies, as well as improve environmental protection in oil production and processing operations. The overlap of CCOS and the California Regional Particulate Matter Air Quality Study provides a unique opportunity to perform research related to petroleum-based VOC and particulate matter emissions as well as methods to characterize these categories of emissions. The CCOS program is utilizing modeling, instrumentation, and measurement to get results that can be used to better understand the impact of oil and gas exploration and production operations on air quality. CCOS program results might

also be applied to identify the most efficient and cost-effective methods of reducing emissions from oil and gas operations.

The Department of Energy has been a key participant in many programs with the oil and agricultural sectors. By becoming a partner in this program, DOE will be furthering its own goals of "Initiatives for Energy Security" by aiding domestic oil producers to enhance their environmental compliance while reducing their costs. DOE will also be building upon an established and effective partnership between state and local governments, industry and institutional organizations.

For fiscal year 2002, our Coalition is also seeking funding of $250,000 from the National Park Service (NPS) and $250,000 from the Forest Service.—The National Park Service and Forest Service conduct prescribed burns that contribute to both ozone and particulate matter pollution. Prescribed burns are needed for forest health or to reduce fuel loads, and must be carefully managed to minimize public health and visibility impacts.

Improving the fundamental science related to emissions, meteorological forecasting, and air quality modeling will help in designing effective smoke management programs. In addition, attainment of air quality standards is an important goal for protecting national parks and forests. Ozone damage to trees and vegetation in national parks and forests is well documented in California and nationwide. The National Park Service and Forest Service are key stakeholders relying on the success of SIPs in achieving the emissions reductions needed to attain air quality standards. The participants in the CCOS have been partners in regional study efforts addressing visibility and haze impacts on national parks and forests in the West. The results of this study will provide valuable information that will further those efforts on a regional basis.

Scientists at the University of Nevada, Desert Research Institute (DRI) are involved with the CCOS. To expedite research studies related to biomass burning and smoke management for CCOS, it is requested that funds provided by the National Park Service and Forest Service be allocated directly to DRI.

Thank you very much your consideration of our requests.

PREPARED STATEMENT OF THE BIOMASS ENERGY RESEARCH ASSOCIATION

This testimony pertains to the request for appropriations in fiscal year 2002 by the Department of Energy (DOE), Office of Energy Efficiency and Renewable Energy (EERE), for 3 specific, mission-oriented, biomass research programs and part of the Bioenergy/Bioproducts Initiative (Initiative) managed by EERE's Office of Industrial Technologies (OIT). In addition to the Initiative, the 3 research programs are: The production of organic commodity chemicals from biomass feedstocks in the Industries of the Future (Specific), Agriculture Vision program; The development of advanced biomass gasification processes in the Industries of the Future (Crosscutting), Enabling Technologies program; and Advanced biomass technologies for the forest and paper industries, Forest and Paper Products Vision program. The Biomass Energy Research Association (BERA) recommends that $36.1 million be appropriated for these high-priority biomass programs in fiscal year 2002. A separate statement has been prepared and submitted in support of biomass research funded by EERE under the Energy and Water Development Bill.

BERA is a non-profit association headquartered in Washington, DC. It was founded in 1982 by researchers and private organizations that are conducting biomass research. Our objectives are to promote education and research on the production of energy and fuels from virgin and waste biomass that can be economically utilized by the public, and to serve as a source of information on biomass RD&D policies and programs. BERA does not solicit or accept federal funding for its efforts.

On behalf of BERA's members, I would like to thank you, Mr. Chairman, for the opportunity to present our Board's position on the funding of mission-oriented biomass RD&D. On this occasion, I would like to focus on the high-priority projects and programs that we strongly urge be continued or started. Specifically, BERA recommends that the appropriations for OIT's high-priority biomass programs be allocated as follows in fiscal year 2002.

—BERA urges that the Initiative that was created as a result of "The Biomass Research and Development Act of 2000," and Executive Order 13134, "Developing and Promoting Biobased Products and Bioenergy," be incorporated into OIT's program ($10.0 million). The goal of this program is to triple U.S. usage of bioenergy and biobased products by 2010. Estimation of the potential contribution to the program goal of each technology that is funded under the Initiative is essential to optimize the project mix. New projects should not be started until this is done. The amount of fossil fuels displaced by waste and virgin bio-

mass in 1999 was 1.65 million barrels of oil equivalent per day (3.49 quad per year).

—Continuation of the chemicals-from-biomass core research ($7.0 million). This program should include assessments of biomass feedstock production and needs in collaboration with the U.S. Department of Agriculture (USDA) and independent contractors if needed, and a clear definition of the potential contribution that each project can make to meet program objectives before an award is made.

—Continuation of the core research started in fiscal year 2000 to develop advanced biomass gasification technologies such as integrated gasification-combined cycle (IGCC) processes and their demonstration in the field for waste biomass including black liquor ($7.0 million). This program is implemented through the National Energy Technology Laboratory (NETL), and should fully utilize the large background already in existence on gasification technologies developed over many years, most of which is readily available.

—Continued development of advanced biomass technologies for the forest and paper industries ($12.1 million).

PROGRAM INTEGRATION, COORDINATION, AND MANAGEMENT

For several years, BERA has urged that all biomass-related research funded by DOE should be internally coordinated and jointly managed at DOE Headquarters. The program managers at DOE Headquarters should be heavily involved in this activity.

BERA strongly recommends that at least 50 percent of the federal funds appropriated for biomass research, excluding the funds for scale-up projects, are used to sustain a national biomass science and technology base via sub-contracts for industry and universities. While it is desirable for the national laboratories to coordinate this research, increased support for U.S. scientists and engineers in industry, academe, and research institutes that are unable to fund biomass research will encourage commercialization of emerging technologies and serious consideration of new ideas. It will also help to expand the professional development and expertise of researchers committed to the advancement of biomass technologies.

BERA also urges that the Bioenergy/Bioproducts Initiative be continued and incorporated into the overall federal biomass RD&D program. The USDA has a long history of developing advanced biomass production technologies, which are essential to meet the objective of tripling biomass energy consumption by 2010. It is especially important that the biomass research of DOE and USDA be closely coordinated so that each agency is fully aware and apprised of the research that the other is conducting.

Implementation of the Initiative should include identification of each federal agency that provides funding related to biomass energy development, each agency's programs, and the expenditures by each agency. This will enable the coordination of all federally funded biomass energy programs through the multi-agency Biomass Research and Development Board (BRDB) that was established to manage the program. The BRDB is co-chaired by the Secretary of Energy and the Secretary of Agriculture. It is expected to facilitate new starts that target the program goal, and to avoid duplication of efforts, unnecessary expenditures, and continuation of projects that have been completed or that are not focused on the program goal. If the Initiative is fully implemented, the value of the federal expenditures on biomass research to the country will be enhanced in many different ways.

BACKGROUND

Bioenergy/Bioproducts Initiative

Congress provided funding for the Initiative for biomass R&D in the power and transportation fuel sectors under the Energy and Water Development Bill in fiscal year 2000 and fiscal year 2001. BERA strongly recommends that this program be continued as described in our separate testimony for fiscal year 2002. BERA also strongly recommends that the Initiative be added to OIT's program at a funding level of $10.0 million in fiscal year 2002. It is expected that DOE will allocate a large portion of these funds to scale-up projects after evaluating the projected contribution of each technology to the goal of the Initiative. The main goal as already mentioned is to triple U.S. usage of bioenergy and biobased products by 2010. A strategic plan has been developed to reach this goal by the BRDB. Its achievement is sorely needed because of what has happened to U.S. crude oil, natural gas, and electricity markets, our continually increasing dependence on imported oil, our struggling rural economy in both the agricultural and forestry sectors, and environmental issues. It is also time to determine whether practical biomass systems can

be developed that are capable of displacing much larger amounts of fossil fuels. The BRDB will address this question, and help to coordinate the many different biomass RD&D projects in progress in the different agencies to ensure that each is necessary and on course. The BRDB has projected that achievement of the targeted goal requires RD&D funding to be increased by $500 million to $1 billion per year of public-sector investment. It is clear that a significant increase in appropriations is necessary to implement this program.

Organic Commodity Chemicals from Biomass (Agriculture Vision)

This program was started by OIT in fiscal year 1999 ($1.981 million appropriated). It was continued in fiscal year 2000 ($4.0 million appropriated) and fiscal year 2001 ($7.0 million appropriated). Solicitations support projects to integrate technology, markets, and policies for using crops and agricultural wastes to produce fuels, power, and biobased products in biorefineries. BERA recommends that this program be continued in fiscal year 2002 at a funding level of $7.0 million.

The overall goal is to develop the technologies necessary to displace 10 percent of the U.S. market for fossil feedstocks with biomass for the production of organic commodity chemicals and chemical products. As noted in BERA's testimony for fiscal year 2001, OIT incorporated displacement by biomass of process energy consumption supplied by fossil fuels into the program objectives. BERA had previously recommended that the program goal be expanded to include both fossil feedstock displacement and process energy inputs provided by fossil fuels. In addition, reductions in process energy consumption through higher efficiency unit operations and process energy conservation should be part of this goal. DOE reported last year that they expect to achieve a 30 percent reduction in energy consumption per pound of chemicals produced, materials used, water consumption, and pollutant and toxic dispersion. This is important because in 1999 for example, the total fossil feedstock converted to organic commodity chemicals in the United States, in terms of barrels of oil equivalent (BOE), was approximately 1.26 million BOE/day. Ten percent of this value is 126,000 BOE/day, while the corresponding process energy consumption was about 136,000 BOE/day.

BERA believes that this program is very worthwhile. Successful implementation of the chemicals-from-biomass program in the Agriculture Vision is expected to result in many regional and national benefits. Virtually all basic organic chemicals—including plastics and petroleum- and natural gas-derived chemicals—can be manufactured from biomass feedstocks. Utilization of agricultural and forest lands for production of renewable fossil feedstock substitutes will significantly improve economic growth and the environment. New markets will be opened for farmers and foresters, rural development and employment will increase, about 80 cents of every dollar spent on biomass in a given region will stay in that region, and federal farm subsidy payments and trade deficits will be reduced. The displacement of fossil feedstocks by virgin and waste biomass will also help reduce atmospheric pollutants emitted by conventional manufacturing plants that use fossil feedstocks, such as sulfur oxides and unburned hydrocarbons, each of which contributes heavily to subquality air.

An in-depth assessment of the availabilities, logistics, chemical and physical properties, growth requirements and characteristics, and competitive uses and economics of existing biomass resources, including specific biomass species and agricultural residues, is required to properly structure the Agriculture Vision program and to select optimum biomass feedstocks. This assessment should include the energy and feedstock potential of new additions to biomass feedstock "reserves." Note that the maximum economic transport distance of biomass to processing plants for conversion to energy and fuels is generally about 50 to 75 miles. Note also that 1.0 quad (489,000 BOE/day) of biomass energy (gross) produced by hypothetical biomass plantations, exclusive of the energy inputs needed for planting, growing, harvesting, and transporting the feedstock to the conversion plant gate, and converting it to organic chemicals, requires about 10,000 square miles of biomass growth area, the equivalent of a square 100 miles on each edge. This assumes average biomass yields of 10 dry ton per acre per year, a yield level that is generally on the optimistic side in moderate climates. The in-depth assessment must therefore be concerned with the parameters outlined here and the design and net energy production efficiencies of integrated biomass feedstock production-transport-conversion systems. The EERE and its predecessor groups in DOE, USDA, and others have performed such assessments. The results of this work should be incorporated into the assessments of the Agriculture Vision.

Advanced Biomass Gasification Processes (Enabling Technologies)

This program was started by OIT in fiscal year 2001 ($13.5 million appropriation). It involves preliminary design studies scheduled for completion in fiscal year 2001 with black liquor feedstocks, critical R&D needs for systems in industrial plants, and competitive solicitations. Supporting areas include sulfur management, gas clean-up, materials, system integration, and other combustion-related studies. Black liquor gasification provides a pathway to cost-effectively recover and recycle chemicals in the paper industry. It is anticipated that perfection of this technology with black liquor and wood waste feedstocks will open new applications in the pulp and paper industry and increase its global competitiveness. BERA recommends that this work be continued at a funding level of $7.0 million in fiscal year 2002.

The federal and private-sector funding provided over the last few decades to perfect biomass gasification technologies and to develop advanced processes such as IGCC systems has been substantial. Some of this work is on-going and includes other EERE projects in progress that are currently funded under the Energy and Water Bill. Significant processing improvements and innovative advancements have been and continue to be made. However, the gasification of black liquor, a major biomass energy resource, has not been developed.

This program, if successful, could result in the initiation of new projects to perfect biomass gasification and can help this fledgling technology make the successful transition to commercial use. The program, which will be implemented through NETL, should fully utilize the large background already in existence on gasification technologies developed over many years, most of which is readily available. It is strongly recommended that the history, information, and data accumulated to date be carefully examined, and where appropriate utilized by proposers before awards are made by DOE to design and build new biomass gasifiers.

Advanced Biomass Technologies for the Forest and Paper Industries (Forest and Paper Products Vision)

All of the Forest and Paper Products Vision has been categorized by DOE as biomass energy RD&D. As already stated, the potential amounts of fossil feedstock and process energy displaced by biomass feedstock and biomass energy and biofuels should be estimated for each contract before an award is made. Each respondent to a competitive solicitation should address this question in the proposal. A simple analysis is sufficient to predict how large a contribution can be made by a given project toward achievement of the overall program goal, presuming the project is successfully completed and the technology is utilized by industry. This basic assessment, along with preliminary economic analyses, when applied to development of this program, will help ensure its success.

The appropriations provided for this program were about $12.1 million for each of the last three fiscal years, fiscal year 1999 to fiscal year 2001. The program was described by various titles last year as follows: Energy Performance consists of approximately 12 projects on efficiency, heat recovery, wood and paper drying, environmental impacts, and Kraft pulping; Environmental Performance consists of approximately 10 projects on developing advanced pollution prevention technologies such as volatile organic compound (VOC) emissions reduction in Kraft mills and commercial VOC extraction and collection from lumber drying; Improved Capital Effectiveness consists of approximately 7 projects focused on system and process efficiency, such as a tool to predict corrosion rates in a Kraft chemical recovery boiler that will be commercialized; Recycling consists of approximately 8 projects to develop a new screening technology to reduce energy consumption during the removal of contaminants from recycled fiber; Sensors and Controls consists of 8 projects for optimizing paper mill operations such as a project to develop an apparatus for measuring properties on the wet end of a paper machine; Sustainable Forestry consists of approximately 5 projects to improve the conversion of solar energy to woody biomass such as a project to increase stem growth rates of loblolly pine, and approximately 7 additional projects to implement the relevant results and 8 additional projects that involve biorefineries.

This program has shown and continues to show significant value in addressing both national and industry priorities and has significant matching funds from industry. BERA recommends that it be continued in fiscal year 2002 at a funding level of $12.1 million.

PREPARED JOINT STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION; THE AMERICAN SOCIETY OF PLANT PHYSIOLOGISTS; THE AMERICAN SOYBEAN ASSOCIATION; THE NATIONAL ASSOCIATION OF WHEAT GROWERS; AND THE NATIONAL CORN GROWERS ASSOCIATION

The American Farm Bureau Federation, the American Society of Plant Physiologists, the American Soybean Association, the National Association of Wheat Growers, and the National Corn Growers Association appreciates the opportunity to provide the Subcommittee with our recommendations regarding the fiscal year 2002 Interior appropriations bill. We, strongly, urge you to provide $15 million in funding for the Department of Energy (DOE), the Plant/Crop-Based Renewable Resources Vision 2020 (the Agricultural Vision) program that is funded under the Industries of the Future (specific) program within the Energy Conservation budget.

We can reduce our reliance on imported oil by using corn, wheat, soybeans, trees, and other crops, instead of petroleum, as chemical feed stocks to produce a wide range of everyday consumer goods, such as plastics, paints, adhesives, fibers, antifreeze, and personal care products. Several years ago, with assistance from the DOE Office of Industrial Technology (OIT), the U.S. agricultural, forestry, and chemical communities developed a long-term, strategic vision of increasing the utilization of renewable inputs, such as corn, soybeans, and wheat, for basic, chemical building blocks. The vision is for plants to capture 10 percent of the market by 2020 and 50 percent by 2050. If crops were the feed stock for 10 percent of this market, it would result in increased farm income of more than $5 billion per year, reduced greenhouse gas emissions, increased recycling opportunities, the creation of new, world-class industries here at home, and, most importantly, decreased dependence on foreign oil.

As we have experienced first hand over the past year, the power of unstable oil exporting countries affects, dramatically, the price of gasoline, heating oil, and many consumer goods, such as plastics, due to our ever-increasing reliance on imported oil. The U.S., currently, imports more than 50 percent of domestic petroleum consumption, and, by 2020, net imports will grow to over 65 percent.

While we have a finite supply of fossil fuels, we have abundant plant/crop-based resources that are renewable over short time periods as annual or perennial crops. Right now, the most significant opportunity to help offset the need for imported oil is the use of alternative feed stocks derived from renewable plants and crops. With an adequate research investment, renewable materials, from American-grown crops can provide many of the same basic, chemical building blocks as petrochemicals, and can provide others that petrochemicals cannot. The recent escalating fuel prices should serve as a wake-up call for research that will provide us with a secure, long-term supply of durable, high performance raw material inputs.

To achieve the bold Agricultural Vision of using plants for 10 percent of the chemical feed stocks market, we may lay the research foundation today. If we are to realize, fully, the potential for bio-based resources, we need new routes for more efficient processing and utilization as well as a whole range of plant-derived building blocks. New technologies require time to develop and implement. Now is the time for significant research and development on what renewable sources and novel processes might be available, and for beginning to develop selection criteria among the possible alternatives.

After the Agricultural Vision was unveiled in 1998, the agricultural, forestry, and chemical communities developed a technology roadmap based on the input of numerous scientific and marketing experts from a broad range of disciplines. The Technology Roadmap identifies performance goals and establishes a focused research and development agenda for developing the technologies needed to make the industry vision a reality. The Roadmap identified research needs in four major research categories. For each of these categories, the top priority is—

—*Plant Science*.—understand gene regulation and control of plant metabolic pathways;

—*Production*.—alter plants to produce components of interest rather than heterogeneous seeds;

—*Processing*.—develop new separation methods—membranes, distillation, etc.; and

—*Utilization*.—understand structure function relationships for plant constituents (protein, starch, etc).

While each of these individual areas of opportunity is important, it is critical for us to develop all of the areas simultaneously and to develop integrated strategies for chemical production. We need funding for projects that will cover the full scope of the R&D needs, from basic plant science to utilization. Multi-disciplinary re-

search, along several different pathways, will be necessary to improve the performance of plant resources as raw materials.

We are at a unique place in history as the tools that are revolutionizing plant-based science and technology are beginning to be available. The advantage of modern molecular tools is that we will be able to meet future demand by increasing the use of renewable resources as basic, chemical building blocks. The disadvantage is that for modern science to deliver the "leap-frog" technology to achieve our goals, projects must be large, multi-institutional (including public and private sector participants), and multi-disciplinary with emphases on biology, chemistry, and engineering. Of necessity, these projects are expensive and a significant level of funding must be provided if they are to be successful.

Our greatest opportunities over the next few years are with bioproducts; yet, funding in this area is substantially below the level needed for multi-disciplinary research that has clear linkages across all of the highest priorities in the Roadmap. The DOE Agricultural Vision is the sole program that concentrates on increasing the use of renewable resources for chemicals (for bioproducts) and on the R&D agenda outlined in the Agricultural Vision's Technology Roadmap. A 50 percent cost-share is required for all of the projects funded under the Agricultural Vision program and the projects must address the OIT mission of improving energy efficiency and environmental performance. The matching requirement ensures that the science supported has a great potential for commercialization and increasing the efficiency of the Federal investment.

We will be able to reduce our reliance on imported oil much sooner if we focus our efforts towards the ambitious Agricultural Vision and act now to fund much needed research. For the long-term success of the program, it is critical that research in the broad, major research categories, identified in the Roadmap, be coordinated and integrated to ensure that progress is made on all fronts. With $15 million, devoted to R&D needs outlined in the Agricultural Vision's Technology Roadmap, projects that address the highest priorities in each of the four major research categories listed in the Roadmap could be supported.

While the Administration's budget reduced significantly the funding for most of the Industries of the Future programs, the budget request provides for level funding ($6.8 million) for the Agricultural Vision. The Administration placed a high priority on the Agricultural Vision program by not proposing to reduce funding. We are extremely pleased that the Administration believes that bioproducts have an important role to play in the Nation's energy policy. However, we believe that now is the time for a significant research investment in this area and level funding for this program is simply inadequate.

We, strongly, urge you to provide $15 million for fiscal year 2002 for OIT to implement, more fully, the Agricultural Vision's Technology Roadmap. This funding will help to decrease our dependence on imported oil, increase farm income, reduce greenhouse gas emissions, spur rural development, and increase recycling opportunities. We look forward to working with you as we lay the foundation for renewable chemical building blocks.

Thank you, again, for this opportunity to provide you with our recommendations for the fiscal year 2002 Interior appropriations bill.

PREPARED STATEMENT OF THE COALITION OF NORTHEASTERN GOVERNORS

The Coalition of Northeastern Governors (CONEG) is pleased to provide this testimony for the record to the Senate Appropriations Subcommittee on Interior and Related Agencies as it considers fiscal year 2002 appropriations for the Energy Conservation programs of the U.S. Department of Energy. Within this appropriation, the CONEG Governors request that funding for the Weatherization Assistance Program be increased to $306 million and that funding for the State Energy Program be increased to $75 million in fiscal year 2002.

Recent increases in the price of energy, coupled with the strain on energy infrastructure created by the rapid growth in energy demand, place a new emphasis on making the most efficient use of the nation's energy resources. Energy efficiency is a vital component to a balanced energy policy that yields multiple economic, environmental and national security benefits. Efficient use of energy helps reduce the nation's energy costs and contributes to improved economic productivity.

The Department of Energy's Weatherization Assistance Program and State Energy Program provide valuable opportunities for the states, industry, national labs and the U.S. Department of Energy to collaborate in moving energy efficiency and renewable energy research, technologies, practices and information into households, businesses, schools, hospitals and farms across the nation. Administered by the 50

states, District of Columbia and territories, these programs are an efficient way to achieve national energy goals, as they tailor energy projects to specific community needs, economic and climate conditions.

The Weatherization Assistance Program (WAP) helps low income households better manage their ongoing energy use, thereby reducing the heating and cooling bills of the nation's most vulnerable citizens. According to the U.S. Department of Energy, low-income households spend 14 percent of their annual income on energy, compared to 3.5 percent for other households. The Weatherization Assistance Program strives to reduce the energy burden of low-income residents through such energy saving measures as the installation of insulation and energy-efficient lighting, and heating and cooling system tune-ups. These measures can result in energy savings as high as 30 percent.

The State Energy Program (SEP) helps move energy efficiency and renewable energy technology into the marketplace and ensure that states and communities are prepared for and respond to energy emergencies. Through the SEP, states assist schools, municipalities, businesses, residential customers and others in both the private and public sectors to incorporate the practices and technologies which help them manage their energy use wisely. The modest federal funds provided to the SEP are also an efficient federal investment, as they are leveraged by non-federal public and private sources.

We request that the Subcommittee increase funding for both the Weatherization Assistance Program and the State Energy Programs. These programs have demonstrated their effectiveness in contributing to the nation's goal of environmentally sound energy management and improved economic productivity.

We thank the subcommittee for this opportunity to share the views of the Coalition of Northeastern Governors, and we stand ready to provide you with any additional information on the importance of the Weatherization Assistance Program and the State Energy Program to the Northeast.

PREPARED STATEMENT OF THE GASIFICATION TECHNOLOGIES COUNCIL

The Gasification Technologies Council (GTC) wishes to take this opportunity to comment on the fiscal year 2002 budget proposal for the Department of Energy's Fossil Energy Research and Development Program.

Council members includes gasification technology developers and suppliers that account for more than ninety-five percent of the installed syngas production capacity around the world. We count among members a significant share of companies supplying engineering and construction services, turbines, industrial gases, gas cleanup and processing and other critical equipment and services to the industry. Our membership also includes a growing number of users of the technology, reflecting the growing commercial acceptance of gasification in the energy marketplace.

Gasification provides the cleanest, most efficient means of producing power, chemicals and fuels from coal, petroleum residues and low value feedstocks. It is being used worldwide and offers the opportunity for further advancements in reduced cost, higher efficiency and lower emissions through continued research and development and commercial scale demonstration. Gasification is central to the Department of Energy's Vision 21 Program because of its high efficiency, environmental superiority and flexibility in feedstocks and product slates. Members of the Gasification Technologies Council have been engaged in a year-long project of company-by-company interviews and briefings with the Department of Energy to offer their thoughts on future investments the DOE and industry may wish to make in gasification-related research, development and demonstration. This process will provide the DOE with market-driven guidance on R&D projects and directions that offer the greatest chance for private sector participation and ultimate adoption in commercial scale manufacturing plants.

Our statement will address the gasification-related research and development elements of the fossil energy budget proposal, but first we wish to make the general observation that the R&D portion of the budget (items exclusive of the proposed Clean Coal Initiative which addresses commercial demonstration, not research) would be cut by more than 50 percent. This is inconsistent with President Bush's clearly expressed desire to accelerate development of domestic energy supplies, a move that will require step changes in fossil fuels technologies' environmental, efficiency and economic performance. If the goals of the Department's Vision 21 program are to be achieved, with much higher efficiency, sharply reduced emissions and multiple product slates from coal-based manufacturing plants, the R&D budget must be increased, not cut in half.

Our recommended changes to the proposed budget with regard to specific categories include:

Gasification Combined Cycle.—The $35 million budgeted under this item should be increased by $15 million to permit accelerated work on ceramic membrane separation technologies, advanced gas cleanup, and gasification system sensors and controls. These are necessary for the technological advances required to meet Vision 21 efficiency and emissions targets in a timely manner.

Advanced Turbines.—Much of the success in increasing the efficiency of integrated gasification combined cycle (IGCC) technology has been in the development and commercial introduction of more efficient gas turbines. The budget proposes to zero out this program from a fiscal year 2001 level of just under $31 million. The funding for the advanced turbine program should be restored. This will accelerate introduction of even more efficient turbines to reduce carbon emissions from power generation; fuel flexible turbines that can run on synthesis gas as well as natural gas; and improvements that provide greater reductions in NO_X emissions without add-on systems.

Fuels R&D.—The coproduction program has also been zeroed out. It should be restored. Central to the concept of the Vision 21 complex is the ability to produce liquid fuels from coal and other fossil fuels. Gasification and the indirect liquefaction of the synthesis gas to produce ultra clean fuels, such as methanol, dimethyl ether, and Fischer-Tropsch liquids, provide the most viable path. R&D on the technologies to produce such fuels should be continued.

Clean Coal Power Initiative.—The budget calls for $150 million as the first installment of President Bush's clean coal initiative. The budget amount should be increased to $200 million, consistent with the President's ten year, $2 billion program.

Gasification offers clear and measurable environmental benefits when compared to combustion based power generation technologies. However, an active research and development program is necessary to build on these strengths with an eye toward the much more aggressive Vision 21 goals. A restored DOE fossil energy budget addressing the above cited items offers a way forward to make the necessary step changes in the supporting technologies and to induce the private sector involvement necessary to bring the results of the research into the marketplace.

Thank you for this opportunity to present our views. Additional information about gasification technologies is available on our web site: http://www.gasification.org. I also remain available to respond to any questions on the issues addressed in this testimony.

PREPARED STATEMENT OF OHIO STATE UNIVERSITY

We strongly encourage the Subcommittee to restore a specific budget item currently under consideration. That item provides $6.5 million to the United States Department of Energy—Fossil Energy Research and Development—Coal and Power Systems—Fuels budget for further development of Clean Liquid Fuels at the LaPorte Alternative Fuels Development Unit, a DOE-owned pilot plant. This funding continues a program supported by DOE in previous years and provides a cost-sharing of technology development with a unique collaboration that includes DOE's National Energy Technology Laboratory, Iowa State University, Ohio State University, Washington University, and Sandia National Laboratories. Air Products, who operates the LaPorte AFDU under contract to DOE, leads seven cost-sharing industrial partners.

The LaPorte Alternative Fuels Development Unit is a unique resource, as the nation's only indirect liquefaction pilot plant facility. This facility is one of the keys to DOE's Clean Liquid Fuels Program, and provides an essential link in the development of laboratory scale studies to commercial utilization of liquefaction technologies. Recently, based on pilot scale demonstrations at LaPorte, Eastman Chemical built a 260-ton per day coal-derived methanol plant in Kingsport, Tennessee, replacing 260 tons per day of foreign crude import with 260 tons per day of domestic coal use. Further studies planned for LaPorte will enable more efficient usage of liquefaction reactors, and more stable reactor behavior when scaling up to production-scale systems.

STATEMENT OF PROBLEM

The basic energy policy of the United States conflicts with projected energy supplies: we are increasingly reliant on foreign oil. The projected energy supplies provide a threat to the economic health of this great nation.

A look at total U.S. petroleum supplies (energy and chemical) is shown above. The 1979 oil crisis appears with a peak in imports during 1979. In the years preceding

1979, U.S. utilities were converting from coal to oil. In 1979, President Carter declared that energy imports would never exceed the 1979 levels. Congress passed the Fuel Use Act that required utilities to convert back to coal, and the post-79 data show its effects in reducing crude imports.

Beginning in the mid-80s, however, imports began to increase again, and now exceed both the 1979 levels and the current domestic production rate. Federal projections to 2020 show a continuation of current trends, with an America dependent on foreign supplies for 2 out of every 3 gallons of crude oil

Our nation is well aware of the dangers of foreign oil dependency. The dangers were manifested in the "oil shocks" of 1973 and again in 1979. Those supply disruptions resulted in significant damages to the American economy.

In November 1999, the Department of Commerce issued a report titled The Effect on National Security of Imports of Crude Oil and Refined Petroleum Products. The report stated that there is no current substitute for liquid fuels used in transportation (nearly two-thirds of oil is consumed by transportation). The report recommends continuing the five policy goals set forth by the Department of Energy in 1998 as US energy policy. One of those goals is "to expand future energy choices by continuing progress in science and technology to provide future generations with a portfolio of clean and reasonably priced energy sources." The recommendation specifically calls for "continued budgetary increases over current levels for technology partnerships with the private sector." On March 24, 2000, President Clinton responded by approving the report and accepting its recommendations, and specifically accepted the recommendation to continue existing policies to—"limit the dependence on foreign oil." Yet, our dependence is increasing.

DISCUSSION OF PROBLEM

A mix of coal, oil, natural gas, nuclear, and renewable energy sources fuel the United States energy consumption. The Department of Energy projects only energy sources: the chart does not represent use of coal/oil/or natural gas as chemical feedstocks.

While coal, natural gas, and nuclear power compete to supply the nation's needs for electricity and steam, effective competition for petroleum used in transportation does not exist. As noted above, the Department of Congress states that nearly all of our transportation is powered by and dependent on crude oil, and therefore on foreign crude oil.

It is possible to reduce our reliance on imported crude by making transportation fuels from coal and natural gas. Considering the price increases observed in natural gas during the last 2 years, and considering that the United States has 30 times more coal reserves than reserves of oil and natural gas together, the use of coal as a feedstock to produce liquid fuels is preferable to the use of natural gas.

Conceptually, a coal-to-liquid fuel process is straightforward. Conversion of solid fuels to liquid fuels is based on processes initially developed in the early 20th century. Such processes were employed by Germany during WWII to produce nearly 50 million barrels per year. South Africa, recognizing the threat it faced from its dependence on foreign oil, has built 9 alternative fuel production plants since 1955.

The economics of coal conversion should favor the development of alternative fuels. Mined coal costs around $1.25 per million Btu, while raw crude oil costs around $4.20. Thus, there is substantial economic "room" for processing costs to liquefy coal.

Yet, the price of alternate fuels still remains high relative to oil. In part, liquefaction technologies are immature relative to their oil technology brethren. Key advances need to be made to develop state-of-the-art materials and catalysts, and to apply newly developed processes, models, and sensing technologies to improve conversion technology to economically competitive levels. However, the current price structure of the oil market, and uncertainties in that structure, make such investments in new technology extremely risky, providing little or no incentive for energy companies to invest in liquefaction technologies research, development, and/or commercialization.

The U.S. energy policy correctly recognizes the need for the federal government to "partner" with private industry in these areas. Continued support of the Alternative Fuels Development Unit is fully consistent with US energy policy. Funding for this unit is one key to the continued development of coal-based clean liquid fuels and chemicals:

—AFDU research focuses on the most promising venue for technology improvements—e. g. the use of high pressure/high temperature conversions;

—AFDU research has already led to the successful commercialization of one coal-derived liquid fuel plant. The Kingsport methanol plant resulted from coal-de-

rived fuel development and research conducted in the pilot stage at the LaPorte facility;

—AFDU research is built on a comprehensive multi-year partnership and contributes leadership, knowledge, and skills to the nation's energy needs. Termination of this program would result in immediate and long-lasting detriments to the nation's alternative fuels program;

—AFDU research promises the increased use of the nation's coal resources. Coal is the nation's largest known energy reserve, and coal mining is the sole major economic activity in much of the Appalachian area of West Virginia, Kentucky, western Pennsylvania, and eastern Ohio. Coal mining in these areas has been declining, with the result being a serious loss of jobs.

ONE SOLUTION TO THE PROBLEM

If the nation is to fully implement its energy policy, then it is necessary for the government to enter into technology partnerships to create new alternative sources of liquid fuels. The LaPorte AFDU funding is one of those opportunities. Past governmental funding at AFDU has built an unparalleled bank of skills and abilities to conceive, research, design, develop, and demonstrate alternate fuel technologies, and resulting in notable commercial success.

Generally, federal funding of this partnership should be encouraged. The rewards from further successes by the AFDU team may include:

—A demand for new coal production from economically challenged areas of the country;

—A reduction of a need to import crude oil;

—The construction and operation of coil-liquid fuel plants, creating jobs and income, in the economically challenged areas of the country;

—The addition of new petroleum facilities in the nation's midsection, offsetting some of the supply line problems the area has faced in recent years, and stabilizing its oil prices.

On the other hand, termination of funding would disburse the assembled team of industrial partners and researchers, a loss of their pooled skills, and result in a setback in the nation's efforts to develop alternative liquid fuels.

CONCLUSION

The focus of the LaPorte AFDU is the key element in the attainment of the nation's goal of developing a portfolio of clean and reasonably priced energy sources. Its success will result in significant economic benefits to the Appalachian coal basin areas of the country, and a more stable supply of transportation fuels. We request that the 2002 funding of $6.5 million for this important program be restored.

PREPARED STATEMENT OF AIR PRODUCTS AND CHEMICALS, INC.

I strongly encourage the Subcommittee to add $89 million to the Transportation Fuels and Chemicals Program budget request of $7.0 million within the Fossil Energy Research and Development, Fuels and Power Systems, Fuels program.

The need for domestically produced, clean liquid fuels will be a critical issue for this Nation in the 21st century. The Energy Department's Fossil Energy Program seeks to ensure the development and demonstration of economically competitive, efficient, environmentally superior coal and natural gas based technologies that produce ultra-clean transportation fuels, stationary fuels, and chemicals.

The Energy Information Administration (EIA) projects that by 2020, total carbon emissions in the U.S. will increase to 1,960 million metric tons under business-as-usual assumptions, with transportation accounting for 690 million metric tons, or 35 percent of total U.S. carbon emissions. Furthermore, a host of potential regulatory actions could require major additional reductions in energy-related emissions during the next decade, and some are expected to be very expensive if compliance must depend on conventional fuels produced via conventional technologies. Likewise, restructuring in the electric utility industry will place market pressures on utilities to find cost-effective approaches to meeting increasingly stringent environmental regulations for air pollutants. The EIA also predicts that by 2020, U.S. oil imports (already representing over 50 percent of consumption) will rise to 65 percent and increase our negative balance of payments, as well as our reliance on a single geographic area to satisfy the increased demand.

For the long-term, the wisest policy is to depend on a balanced mixture of energy sources. This portfolio should include an emphasis on the environmentally superior use of coal, the Nation's most abundant energy resource, and should also include

the use of remote natural gas, biomass, and opportunity fuels, such as petroleum coke and waste materials. The development of new technologies to convert coal and other non-oil feedstocks to clean liquid fuels is critical to our country's energy, economic, and environmental future. Without such new technologies and fuels, the ability to manage emissions of carbon dioxide and air pollutants will be limited, and the costs of energy will increase.

Experts estimate that there are more than 38 trillion cubic feet of recoverable remote natural gas on the Alaskan North Slope. The United States Geological Survey estimates that there is more than double that amount of technically recoverable remote reserves in undiscovered fields in Alaska, as well as offshore reserves in deep waters in the Gulf of Mexico and along the Pacific coast.

Alaska's challenge for years has been how to economically produce and transport its remote natural gas to market in an environmentally responsible way. Oil production in the large North Slope Alaskan fields is declining. Already, 4 of 11 operating crude petroleum pumping stations for the Trans Alaskan Pipeline System (TAPS) have been shut down and placed on standby. As the production decline continues, the long-term viability of the TAPS is uncertain. Because of its geographical remoteness, North Slope natural gas is an undeveloped resource. Developing a means to recover and transport this remote natural gas is of vital importance to the Alaskan economy, the Nation and to the future of the TAPS.

Gas-to-Liquids (GTL) technology being developed under the DOE Fossil Energy Research and Development, Fuels and Power Systems, Fuels, Transportation Fuels and Chemicals program is the most promising means of converting the vast quantities of Alaskan North Slope natural gas to liquid fuels. These liquid fuels could then be moved to market through the Trans Alaska Pipeline, thereby extending its functional life. Additionally, a compact synthesis gas generation/liquid fuels production facility could be a feasible source of power generation and transportation fuels in remote locations for U.S. military needs.

Widespread utilization of gas-to-liquids conversion technology is dependent on developing a low-cost alternative for synthesis gas production, the first processing step in which natural gas is converted to a mixture of hydrogen and carbon monoxide before being processed by Fischer-Tropsch (FT) technology to make clean burning liquid fuels.

Production of synthesis gas alone can represent over 50 percent of final product cost. Recently, considerable DOE-supported research has been underway to significantly reduce the cost of synthesis gas production via selective high-temperature membrane systems.

Through a team led by Air Products and Chemicals, Inc. of Allentown, Pa., the Department of Energy's Transportation Fuels and Chemicals Program has been sponsoring the multi-phase development of an important new synthesis gas technology—referred to as ITM Syngas. The University of Alaska, Fairbanks, School of Mineral Engineering, is a participant in the ITM Syngas project team, along with Pacific Northwest National Laboratories, Ceramatec, Chevron, Norsk Hydro, Eltron Research, McDermott International, the University of Pennsylvania and Penn State University. ITM Syngas technology is based upon a novel ceramic membrane reactor that could significantly reduce the cost of synthesis gas production, enabling economic GTL conversion. Completed conceptual process design and economics for ITM Syngas show a >33 percent capital cost savings versus conventional autothermal reforming/cryogenic air separation. When successfully developed, this technology will result in a major step change in the conversion of natural gas to hydrogen and synthesis gas for liquid fuels, and for chemicals.

The ITM Syngas process is also ideally suited to generate hydrogen in the quantities required for future fuel cell-powered vehicles and stationary fuel cell power generators. Lower cost hydrogen made possible by ITM Syngas will also help refineries meet increased hydrogen demand for Clean Air Act-driven oxygenated gasoline, reformulated gasoline, lower sulfur diesel fuels and upgrading of heavier and high-sulfur crude oils.

A major reduction in the cost of producing synthesis gas via ITM Syngas will also have a cross-cutting impact on many U.S. industries that depend upon synthesis gas as a raw material in the manufacture of commodity chemicals and consumer goods, such as clean-fuel additives, rubber, polyester textiles, urethane foam, plastics, paint, detergents, and fertilizers.

The $90 million, 8½ year ITM Syngas project will ultimately result in a pre-commercial-scale field demonstration. The team has provided more than 50 percent cost-share of ITM Syngas development and has agreed to full payback of the Federal funding contribution should the technology be successfully commercialized. However, the continued development of the ITM Syngas process will require a substan-

tial financial investment by both the private and the public sector before a commercial technology can be realized.

DOE's fuels program has also led to the development of the Liquid Phase Methanol (LPMEOH™) technology. This technology can be used to convert synthesis gas produced from a variety of carbonaceous feedstocks to produce methanol. This application has appeal both for the power and the refinery processing industries for coproduction of electric power and methanol for power peak shaving or as a chemical feedstock. Successful development of LPMEOH™ at the DOE-owned, Air Products-operated LaPorte, Texas Alternative Fuels Development Unit (AFDU) led to a proposal and subsequent award under the Clean Coal Technology Program. The resulting LPMEOH™ process demonstration unit, located at Eastman Chemical's Kingsport, Tennessee chemical complex, was successfully started up in April 1997. The LPMEOH™ process demonstration unit reached full production capacity within 4 days of start-up and maintained an on-stream availability of 99 percent from 1998 through 2000.

With successful technical development of the Liquid Phase Methanol technology, the program objectives were broadened to extend the basic technology to other feedstocks and to the production of other liquid products. One such product is dimethyl ether, a clean-burning liquid that has the potential to become an environmentally superior diesel replacement.

A unique government/university/national laboratory/industrial partnership was created to effectively conduct the research and development work described above, including periodic operations at the LaPorte AFDU. The major technical objectives of the program are threefold: (1) to develop the design tools and a fundamental understanding of the hydrodynamics of a slurry bubble column reactor, so as to maximize reactor productivity, (2) to develop improved catalysts to enable the economic production of liquid fuels such as dimethyl ether, and (3) to demonstrate developing technologies at an industrially relevant scale at the LaPorte AFDU. Successful completion of these objectives will permit more economic reactor designs, increase overall reactor efficiency, and ensure a design that leads to stable reactor behavior when scaling up to large diameter reactors. This program has successfully progressed with contributions from the National Energy Technology Laboratory, Sandia National Laboratory, renowned researchers at five universities, and seven cost-sharing industrial partners. Current partners include the National Energy Technology Laboratory, Sandia National Laboratory, Iowa State University, Ohio State University, and Washington University in St. Louis.

In the future, the LaPorte AFDU will lend itself conveniently to another important development in the production of low-cost liquid fuels. The development-scale demonstrations of ITM Syngas and other technologies are planned for the LaPorte site, where the infrastructure is already in place for such demonstrations. The synthesis gas generated via the ITM Syngas process could be used in conjunction with the AFDU to produce methanol, dimethyl ether, or FT liquids, allowing the complete, step-by-step demonstration of liquid fuels production from remote natural gas.

The focus of the DOE Fossil Energy Fuels program is consistent with the national policy of meeting environmental goals through the development of clean-burning, liquid fuels from a vast array of domestic carbonaceous feedstocks. We request that the Subcommittee provide $96 million to continue support of this important work and make the Department's aggressive energy and environmental goals a reality.

PREPARED STATEMENT OF BOB LAWRENCE & ASSOCIATES, INC.

Mr. Chairman and Members of the Subcommittee: My name is Dr. L.R. Lawrence, Jr., and I am President of Bob Lawrence & Associates, Inc., a consulting firm located in Alexandria, Virginia. With me today is Ms. Patrice Courtney, a Senior Associate with my firm. We are here, today, to request full funding for the Department of Energy's Building Technology Programs. Specifically, we request fiscal year 2002 funding of $340M for these programs within which Weatherization and State Grants would receive no more than $140M total. I and my firm have been involved in issues of Energy Efficiency and Renewable Energy since 1975, when this Subcommittee played an active and major role in helping to solve our country's first, major energy crisis. Ms. Courtney is responsible for communications regarding energy efficiency issues with a focus on New York State's Hudson Valley.

Although the major oil use in this country is in transportation, buildings account for one-third of all energy used here, once you factor in the significant percentage used to generate electricity to heat, cool, light, and control buildings and their occupants. In addition, most oil use in buildings occurs in those parts of the country where the percentage of imported oil use is the highest. Therefore, efficiency in-

creases in buildings and their associated technologies offset directly the import of foreign oil.

Our purpose today, Mr. Chairman, is to support the Department of Energy's Building Technology, State and Community Programs which have been uniquely successful. Specifically, Federal investments in five major areas: building design software, electronic fluorescent lamp ballasts, low emissivity windows, advanced oil burners, and efficient refrigerator compressors throughout the 1970s, 1980s and 1990s resulted in savings in the U.S. economy totaling nearly $33 billion through 1997 while, simultaneously preventing the emission of millions of metric tons of atmospheric pollutants.

The slowing U.S. economy is significantly threatened by still—high oil prices. Energy efficiency has become an economic priority—because it is key to reducing our vulnerability to high oil prices controlled by unpredictable foreign hands. Today, many states are deregulating electric utilities in an effort to lower electricity prices. The California energy crisis in recent months underscores the mounting challenges to our infrastructure in the wake of this deregulation, even in these relatively prosperous times. These developments have important implications for energy efficiency in building technology.

BTS—the Department of Energy's Office of Building Technology, State and Community Programs—plays a major role in developing, introducing and encouraging the adoption of technologies that make buildings more energy-efficient. After a decade of investment, real returns are clearly materializing.

Commercial buildings, homes, factories and schools are all being improved by technology developed under BTS programs. From fiscal year 1980 through fiscal year 1999, energy cost savings of an estimated $90.64 billion were realized from greater energy efficiency in buildings. The list of innovations is long: more energy-efficient windows, insulation, heating and air conditioning systems and home appliances; better lighting; advanced oil burners; EnergyPlus design software for architects; and fuel cells, triple-effect chillers and other equipment for advanced, "green" buildings.

Here are some examples of BTS programs and how they're saving energy and dollars:

Rebuild America is a leading example of BTS's ability to build partnerships with local government and the private sector. Today, three years ahead of schedule, BTS has more than 300 public-private community partnerships at work around the country. Rebuild is saving $170 million every year by improving the energy efficiency and operations of schools, municipal buildings, businesses, multifamily residences, and other buildings. Rebuild partners have already completed or planned retrofits of more than half a billion square-feet of space. And they are saving more than 10 trillion Btus of energy every year, enough energy to power 250,000 homes.

Schools are a large part of Rebuild America. A nationwide survey conducted by the U.S. General Accounting Office estimated a conservative $112 billion to complete needed repairs, renovations, and modernizations for our nation's public schools. According to the DOE, the nation spends $6 billion each year on energy costs for schools—about 25 percent more than necessary.

A number of rapidly growing school districts are using "Energy Smart" school designs. Clark County, Nevada, for example, plans to build upwards of 100 new schools at a cost of $4 billion over the next several years. The school district has hired an architect who is working with BTS to develop first-of-a-kind "green" school construction guidelines, which have been developed with varying recommendations based on climate, geography and energy mix.

BTS and its industry partners are creating "technology road maps" to target key technologies in the building and construction industries and to allocate future funding for research, development and commercialization. The maps help industry identify barriers to investment in energy efficiency. Road maps were completed in 2000 for lighting; windows; heating, ventilation, air conditioning and refrigeration; and for high performance commercial buildings. Next will be a building envelope road map. BTS now is jumpstarting research in the most promising areas through competitive R&D solicitations.

DOE is now working with two companies—Trane and York International—to introduce to the marketplace triple-effect chillers that will improve U.S. economic competitiveness and energy efficiency. The objective of the program is to build a U.S.-developed triple-effect chiller that uses lithium bromide/water fluids and has a coefficient of performance of 1.4, which will represent a 30 to 50 percent improvement over double-effect chillers now available. This level of performance represents a revolution in large commercial chillers.

The joint DOE-EPA Energy Star designation has become a popular one with consumers. That's because the typical U.S. household spends about $1,300 on its home

energy bill. ENERGY STAR® appliances and heating and cooling equipment can reduce that bill by up to 40 percent.

Today more than 4,000 stores nationwide market appliances labeled as "Energy Star," including retailers such as Best Buy, Circuit City, Montgomery Wards, Sears, Tops, Appliance City and others. There now is a voluntary partnership with the fenestration industry to promote the sales of energy efficient windows, doors, and skylights bearing the ENERGY STAR® label; and a new generation of Compact Fluorescent Light Bulbs (CFLs) have been introduced, which meet the stringent criteria of ENERGY STAR®.

High Performance Buildings are a BTS area where research has given way to action and the result is savings. For example, the Zion National Park Visitor Center and Comfort Station in Springdale, Utah is one of the National Park Service's most efficient complexes. Features included in its design are daylighting, Trombe walls for passive solar heating, downdraft cooltowers for natural ventilation cooling, energy-efficient lighting, and advanced building controls. It is estimated that these features result in about 10 kW of electrical demand savings. A roof-mounted photovoltaic system provides electrical power. The PV system reduces the amount of power purchased from the utility and it supplies backup power when grid power is not available. BTS provided extensive technical assistance to the architects and construction team.

BTS is a leader in technology transfer to professionals in building technologies. For example, on its Web site is a powerful software tool that can be downloaded for free. EnergyPlus, formerly known as DOE–2, is a new generation building energy simulation program designed for modeling buildings with associated heating, cooling, lighting, ventilating, and other energy flows. A newer area at BTS is the Emerging Technology program, whose purpose is to increase demand for, and to bring new highly efficient technologies to market for buyers, while assisting manufacturers, ESCOs, and utilities. The goal is to pull these emerging technologies, as they appear in new, highly efficient and affordable products, into the marketplace through competitive procurements that are backed by large volume buyers.

During the 1980s, funding was drastically cut for energy-efficiency R&D. When the programs were revisited in the early 1990s, lost ground had to be regained. Research successes are now turning into commercially viable products. It is crucially important to cost share the field testing phase and to push new products through the R&D pipeline to market acceptance, particularly in the fragmented building industry.

Mr. Chairman, the required annual investment in Energy Efficiency and Renewable Energy is less than one percent of what we invest in defense, but its purpose is no less important. It is an investment in our economy, our standard of living, and our very way of life.

We thank you for your attention to this matter.

PREPARED STATEMENT OF GENERAL ELECTRIC POWER SYSTEMS

This statement is submitted by General Electric Power Systems (GE) for the information of the Committee during its review of the Department of Energy's fiscal year 2002 budget requests for Fossil Energy programs. The testimony addresses several key Department of Energy programs: the Next Generation Turbine Program, Integrated Gasification Combined Cycle, and Distributed Energy Resources.

GE recognizes that this is a transitional year for the Department of Energy's budget, and that future energy policy directions will be guided in large part by the recommendations being developed by the Energy Policy Development Working Group led by Vice President Cheney. During this period of change in the Department's policy direction, it is especially important to assure that adequate emphasis is maintained on the advancement of technologies that will enable our nation to meet the growing demand for electricity generation. The Administration's proposals for a Clean Coal Power Initiative signify its commitment to advancing technologies that enable greater use of domestic fossil energy resources.

The Administration's expanded focus on coal need not preclude continued Federal investment in focused research and development on natural gas power generation technologies. Natural gas turbine technology is fuel flexible, and will be an integral part of projects to make greater utilization of the nation's abundant coal resources. Gas turbines are an essential building block for the "Vision 21" powerplant of the future, and may offer a means to use our nation's coal resources to its best advantage.

Moreover, as the Energy Information Administration has reported in its Annual Energy Outlook 2001, natural gas will fuel 90 percent of the new powerplants ex-

pected to come on line in the next 20 years. Given this, it is important that the DOE budget make appropriate investments in research and development that will enable the most reliable and efficient use of natural gas-fired power systems.

The model for such programs should be the Advanced Turbine Systems (ATS) program. There is no better example of the benefits of government-industry collaboration to advance technology than the ATS. The ATS program was competitive, heavily cost-shared, and successful in achieving rigorous standards for energy efficiency and environmental improvement. The ATS program has been completed on time and within budget, and will make a major contribution to the future of power generation not only in this country but around the world. Technology developed in the ATS program is currently being incorporated into all new GE product designs, assuring new commercial introductions as the result of this successful effort in the immediate future.

While the ATS program represents significant advancement in turbine technology, there are still important technical challenges to be overcome. For this reason, GE is particularly concerned by the Department's proposal to terminate all funding for the Next Generation Turbine (NGT) program. There is a continuing need for focused, cooperative DOE-industry efforts in natural gas turbine technologies.

NEXT GENERATION GAS TURBINE SYSTEMS

As provided in the program's vision statement, the Next Generation Turbine (NGT) program seeks to "develop advanced technologies that will significantly improve the performance, operation, and reliability of gas turbine power plants while maintaining United States industry leadership in global electric power markets," in order to support the continued availability of clean, reliable and low life-cycle cost gas turbine based power in the U.S. GE Power Systems has participated in the initial phases of this program, which have sought to characterize the technology needs and future market for new power technologies that are fuel flexible (capable of operating on coal, oil, natural gas or biomass), satisfy intermediate and peak loads, and have low life-cycle operating costs.

The NGT program incorporates three primary elements: systems development and integration; improvement in reliability, availability and maintainability (RAM); and cross-cutting technology support. GE believes that in going forward, it is critical that the NGT program focus on the development of technologies that may be widely applicable, rather than concentrating on the identification of a specific technology platform. If only limited resources can be devoted to the NGT program in this transition year, GE urges strongly that adequate resources of at least $3 million to $5 million be provided for RAM and technology support efforts.

Reliability, Availability and Maintainability (RAM)

There can be no clearer indication of the problems that ripple throughout the economy if powerplants go off line than the recent California experience. The high rate of powerplant outages, both scheduled and unscheduled, has been cited as a factor contributing to the rolling blackouts in California earlier this year. Research and development focused on RAM is critical to improving powerplant operability. Such a program will have tremendous economic benefit by increasing the operational flexibility of gas turbines to provide more power to the electrical grid during periods of peak demand, reducing the costs associated with unplanned turbine outages, making the scheduling of maintenance more efficient, and optimizing turbine performance to reduce emissions. This is particularly so with new, highly efficient turbines, which are also far more complex to operate and maintain.

Importantly, advances in RAM technology can be moved into the marketplace quickly and applied to the installed base, including current coal based systems. The economic impacts would be substantial. GE estimates that if only 25 percent of the F-class turbines operating in 2005 could have their availability increased by one day of peak period usage each year, the annual economic impact to the U.S. would be over $150 million. Furthermore, the economic benefits would increase to at least $750 million per day when these RAM technologies are applied to other GE and non-GE gas turbine powerplants.

Industry is diligently pursuing RAM improvements. Partnering with the government will accelerate the pace of this work and speed the introduction and widespread deployment of new technology in the field.

Improved parts life assessment methodologies for RAM is a critical element of the RAM initiative. Such methodologies will provide the materials data and analyses required to life manage components and to determine when components should be taken out of service and repaired or replaced.

Particular emphasis also should be placed on developing technologies for monitoring, predicting and managing the leading contributor to RAM reduction: the deg-

radation of gas turbine combustor and hot gas path components. Additionally, improved information technology is needed to seamlessly integrate information between sensors, databases, and analysis tools and to provide fault detection, diagnostics, prognostics, predicted parts usage, and plant outage scheduling.

DOE support for this RAM technology development will greatly accelerate the implementation of condition assessment and condition based maintenance procedures, which will lead to a more rapid realization of the associated benefits to the U.S. public and industry. New concepts developed under this initiative will form the foundation upon which fuel flexible Vision 21 powerplants will be monitored, controlled and optimized.

Supporting Technology

Advances in high temperature materials and processes, cooling techniques, sealing techniques and design optimization tools are enabling technologies for improving gas turbine output and efficiency, increasing reliability, and increasing power availability. GE strongly supports process development in the critical areas of investment casting of airfoils and melting/casting/forging of large rotor structures. New advanced gas turbine engines require complex directionally solidified and single crystal airfoils. Improved casting processes, such as liquid metal cooling, are needed to reduce defects and improve yields. Process development for nickel-base superalloy rotor structures is also a critical need. Development of robust melting/casting processes for large ingots and development of improved forging process models and practices will eliminate ingot defects and reduce variability in forging microstructures. Advanced high temperature materials include nickel-base superalloys for airfoil applications, improved durability thermal barrier coatings, and ceramic-matrix composites. In addition, high temperature steel alloys for high efficiency steam turbines are a critical development need. A collaborative program to develop material design methodologies to address these needs would be extremely useful throughout the U.S. industry.

INTEGRATED GASIFICATION COMBINED CYCLE

GE strongly endorses the development of technology that will advance the utilization of coal resources for power generation in a clean, environmentally superior and efficient manner. Coal fueled Integrated Gasification Combined Cycle (IGCC) has been demonstrated to provide high efficiency with low emissions. Gas turbine technology development has greatly contributed to increased use of IGCC power plants worldwide.

IGCC technology can provide clean power from a broad range of coals, as well as low or negative value opportunity fuels. Additionally, IGCC can co-produce hydrogen, sulfur, ammonia and methanol. Continued support for IGCC technology can provide the United States with the catalyst for the environmentally compatible growth of coal-based power.

GE has supported DOE's investigation of research needs in gasification and has provided its recommendations to the Department. The areas that deserve particular attention are robust gasifier refractory materials to increase life and reliability, and continued and aggressive development of low-emissions turbine combustion of low-BTU gases. GE's own investigations have shown the potential for NOx emissions in the mid single-digit parts-per-million range. We urge Congress and DOE to support research that will provide the continued development of IGCC as an environmentally superior technology for the burning of coal.

DISTRIBUTED ENERGY RESOURCES

GE supports funding for distributed generation (DG) technology advances, contained in both the fossil energy and energy efficiency budget requests. The specific areas of focus for combustion based DG should be reduction in emissions, increased efficiency, fuel flexibility and reduction in equipment cost. Combustion based DG would include microturbines ranging from 30 to 500 kW and reciprocating engines ranging from 300 to 3000 kW. The specific areas of focus for PEM fuel cell DG should be high temperature membranes, increased efficiencies, fuel flexibility and reduction in equipment cost.

In addition to the current programs supported by DOE, there are other efforts that should be supported. Programs focused on grid interconnection cost reduction, increased power quality, system monitoring and reduction in installation and operating cost should all be considered in order to ensure success of all DG technology options.

The Department's budget request for distributed generation programs in the fossil energy budget account includes funding for the development of a commercial proto-

type of a solid oxide fuel cell/turbine hybrid. The Department's planned focus on this technology highlights once again the need for adequate investment in improving turbine technology, which will be a key contributor to the success of proposed hybrid systems.

CONCLUSION

Investments in fossil energy programs remain essential to meeting the nation's energy needs. The Department's budget justifications acknowledge that technology development is vital to assure that a range of options is available for power generation in this country, and also to support U.S. technology leadership in export markets. Gas turbine technology initiatives should be part of a robust portfolio of energy technology development programs supported by the Department in fiscal year 2002.

PREPARED STATEMENT OF THE AMERICAN SOCIETY OF MECHANICAL ENGINEERS INTERNATIONAL

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to present the views of the Energy Committee of the Council on Engineering (COE Energy Committee), American Society of Mechanical Engineers (ASME International), regarding appropriations for the Fossil Energy and Energy Conservation programs of the Department of Energy. The 125,000-member ASME International is a worldwide engineering society focused on technical, educational, and research issues. Energy research to meet national and global needs continues to be one of the most important topics of interest to ASME members.

INTRODUCTION TO THE COE ENERGY COMMITTEE OF ASME

The 125,000-member ASME International is a worldwide society dedicated to the advancement of the art and science of Mechanical Engineering. We focus our efforts on technical, education, and research in Mechanical Engineering and conduct one of the world's largest technical publishing operations. The COE Energy Committee consists primarily of members representing eight technical divisions and three ASME Boards (approximately 40,000 members) that address energy technologies, resources, and utilization.

VIEWS OF THE COE ENERGY COMMITTEE

Reliable and affordable sources of energy are essential for America's economic and national security. Recent price spikes and supply disruptions have brought the critical nature of energy to the public eye and underscore the need for a comprehensive energy strategy for meeting present and future consumer demands for an abundant, affordable, and available supply of energy.

We offer the following recommendations to the Subcommittee as you address the myriad, serious energy issues facing the nation in your work to allocate fiscal year 2002 funding for programs in the Offices of Fossil Energy and Energy Efficiency:

OBSERVATIONS ON THE PROPOSED BUDGET FOR FOSSIL ENERGY RESEARCH AND DEVELOPMENT AND FOR TRANSPORTATION TECHNOLOGIES

We applaud the administration's budget request for a Clean Coal Power Initiative (a $150,000,000 new program), but we note that the funding requested for this initiative is obtained at the expense of drastically reducing, or in some cases eliminating, major R&D programs that will be critical to addressing what is quickly becoming an energy crisis in this country. The Energy Committee believes strongly that the Clean Coal Power Initiative, as worthy as it is, should be supported with additional funds to the fiscal year 2002 allocation. This addition will enable an overall, robust fossil fuel research and development program, which would then be funded at a level commensurate with its importance. We urge the Subcommittee to attempt to identify additional funding within its allocation to provide resources for these important programs.

If our nation is to keep pace with growing energy demand and offset plant retirements, the Energy Information Administration estimates that 1,300 new power plants will have to be constructed and brought online by 2020. That will necessitate bringing nearly 69 new plants online every year for the next 19 years—more than one plant per week. We are concerned that the proposed fiscal year 2002 budget will seriously reduce our nation's investments in critical R&D for technologies necessary to meet the nation's ever-growing demand for electricity.

As we struggle to meet demand, we are also concerned that the vast majority of the new power plants likely will be fueled with natural gas. The recent shortages

and concomitant price spikes for that fuel underscore an urgent need to diversify the nation's energy portfolio. We firmly believe it is folly for the U.S. to continue to rely on one fuel for an increasing percentage of its electricity generation, while at the same time relying on the same fuel for a substantial portion of its home heating needs as well as chemical production. Fuel diversity will require technologies to improve the environmental performance of coal-fired power plants and the efficiency of gas turbines to reduce our reliance on natural gas.

FOSSIL ENERGY PROGRAMS

Advanced coal-based power generation will depend on technologies for gasification, gas stream cleanup, separation of gas mixtures such as carbon monoxide and hydrogen or oxygen separation from air, and gas turbines and fuel cells that will have high efficiency and low emissions. The proposed budget will seriously set back the target dates for deployment of these technologies.

Advanced turbine systems have been developed for natural gas fired systems. However, there remain serious issues in R&D to be addressed in achieving their design operating conditions while meeting target maintenance schedules. The budget request essentially eliminates the Advanced Turbine Program. We oppose this decision, because we believe it is critical that advanced turbines be fuel flexible, such as being able to operate on synthesis gas from coal. We recommend that funding be restored to a level of $30 million in fiscal year 2002, with increased emphasis on fuel flexible turbine designs that include coal-generated syngas operation.

Fuel cell technologies still require basic and applied research, engineering development, and successful deployment, to attain the promise of high efficiency and effective integration with combined cycle gas turbine systems. We recommend a funding increase of $16 million over the Administration request for fiscal year 2002 in fuel cell research for power generation systems. Successful integration of fuel cells with advanced gas turbine systems will result in high efficiency systems, which inherently will produce fewer carbon dioxide emissions, in addition to reducing the release of criteria pollutants into the atmosphere.

It is widely accepted that fossil fuels will be a key player in meeting national and global energy needs for the first half of this century. Carbon capture and sequestration technologies will be needed to address concerns about global climate change from greenhouse gas emissions. We recommend an increase of $9 million above the administration's request to enable the rapid development and deployment of carbon capture and sequestration technologies.

We are dismayed that the budget request for fiscal year 2002 has essentially eliminated fuels research, which particularly affects the development and deployment of transportation fuels needed to meet new air pollution and efficiency criteria projected for the transportation sector. Attainment of alternative sources of liquid fuels, coupled with the requirement to meet low sulfur requirements for diesel and automotive fuels, will require a wide ranging research program in fuel manufacture, transport, and distribution. We recommend that the fiscal year 2002 fossil energy program in liquid fuels development—ultra clean fuels, future fuels, gas-to-liquids—be supported at an overall level of $50 million over the various programs.

The natural gas and petroleum programs have been reduced to approximately half their fiscal year 2001 level in the administration's request. We find such recommendations to be inconsistent with our need to develop our indigenous resources in an environmentally responsible way to meet rising demand and reduce imports. Exploration and production technologies must be further advanced, especially with regard to sensitivity to the environmental impacts of such operations. Funding for E&P and environmental programs should be restored to their fiscal year 2001 enacted levels.

We recommend similar increases over the fiscal year 2002 recommendation for programs in reservoir life extension and management, emerging processing technology, infrastructure protection and development, and gas hydrates programs.

The recently established National Energy Technology Laboratory must be adequately funded to attain the excellence expected of such laboratories as a leader in science and engineering, especially in a technology area which affects so many people in their day-to-day and season-to-season reliance on energy. We recommend that funding be restored to retain and invigorate the programs undertaken by the laboratory personnel.

TRANSPORTATION TECHNOLOGIES PROGRAMS

The Administration is preparing a budget amendment to be submitted shortly which will reduce the funding for transportation technology programs by about $55

million compared to fiscal year 2001 appropriations. These reductions will especially impact the Partnership for a New Generation of Vehicles (PNGV) program.

Through partnerships with industry, research organizations, state governments, and other federal agencies, the Office of Transportation Technologies has developed programs to meet our national standards for performance and vehicle emissions for a wide class of vehicles. These programs will develop better engines, lighter vehicles, and better emission reduction systems for automotive vehicles, and light- and heavy-duty trucks. Consumer focus on sport utility vehicles (SUVs) requires innovations in this product line to reduce emissions and improve efficiency. The proposed significant reduction in funding for transportation technology programs will seriously impact our ability to reduce emissions and meet national goals for curbing petroleum imports.

We are concerned that the funding cuts may preclude completion of the light vehicle diesel engine program that is designed to enable the industry to meet the Tier 2 standards. Therefore, we recommend restoration of funding for the PNGV program.

The proposed budget reductions will also limit the funding which can be dedicated to fundamental science and engineering programs needed to ensure successful completion of advanced transportation vehicle systems. Energy efficiency programs have provided advances in electrochemical technology areas that will be needed in transportation systems of the future. Additional research is needed in fuel cells technology, reformer technology, and emissions systems. We recommend that funding for the overall OTT program be restored to the fiscal year 2001 level.

We note that the Office of Fossil Energy and the Office of Energy Efficiency are working cooperatively in the engines /fuels area with FE addressing the production of advanced fuels and EE addressing the engine and emissions components of this three legged program. Their mutual success depends on restoration of funding for the fuels program element under the fossil program as an adjunct to restoring the funding for engines and emissions work in the energy efficiency program.

BUILDING TECHNOLOGIES

The Committee is disappointed in the proposed administration budget for these programs. Buildings consume about one third of the energy used in the U.S. The last 25 years have seen major efficiency gains from research and development in this sector. Efficiency of typical residential air conditioners has almost doubled. Variable air volume systems have largely replaced constant volume systems in new commercial buildings. Electronic ballasts and more efficient light sources are increasingly used. Low-e glass windows have greatly reduced heating and cooling impact.

The potential for further efficiency improvements in this sector can lead to further efficiency improvements that can reduce the need for energy supply by the equivalent of more than 2 billion barrels of oil equivalent per year. In the face of an energy situation that at least borders on a crisis, this is not the time to reduce our commitment to improved efficiency in the buildings sector by cutting the budget for Buildings Technology almost in half. The industry that designs, builds and operates buildings is highly fragmented and spends little on research.

Achieving the potential efficiency improvements in the buildings sector requires advances in the following areas: residential heat pumps, furnaces and air conditioners, water heaters, ventilation techniques, fundamental building thermal processes, and advanced building materials. Software-testing protocols are needed for certifying energy code compliance software. In the commercial sector, there is a broad consensus that better techniques for integrated design are needed. Development and widespread application of optimum operating techniques has the potential to increase the efficiency of building HVAC operation by 20–30 percent over the next 10–20 years. Key needs are development, testing and automation of the diagnostic techniques and simulation techniques needed to identify and implement optimum operation. This technology can be the most cost effective part of a national energy policy. Lighting, dessicant cooling, better evaporative coolers and chillers, and controls advances all require additional research in the commercial sector.

We recommend increased funding slightly above fiscal year 1901 levels to $109.6 million, as the minimum level needed in a budget-constrained year to permit significant progress in this area.

INDUSTRIAL TECHNOLOGIES

The Office of Industrial Technologies (OIT), through its Industries of the Future program, its Best Practices program, its Industrial Assessment Centers, and the Targeted Audits and Cost-shared Audits programs, works cooperatively with the

nine most energy intensive industries in the United States. Each of these programs has demonstrated over many years cost-benefit ratios ranging from 5:1 to 30:1. In helping small- and medium-sized manufacturing facilities—and indeed entire industries—become more energy efficient, these programs help to reduce the substantial demand for electricity in our nation, and will, over time, reduce the number of new power plants that will have to be brought online over the next 20 years. Because most of these programs have reached only a fraction of the nation's industrial base, we recommend that funding for these programs be restored to at least the levels appropriated in fiscal year 2001 so that important energy efficiency gains can continue to be realized.

OTHER COMMENTS

The Energy Committee has concerns regarding other elements of the fossil and energy efficiency programs. The short interval of time between release of the Administration's budget and the due date for testimony precluded our developing additional comments. We will be in contact with the Subcommittee to bring additional concerns for your consideration in the future.

As a general closing comment, the COE Energy Committee recommends that the Offices of Fossil Energy and Energy Efficiency increase support for programs targeted toward academe to stimulate new ideas in energy research and education.

Thank you for the opportunity to offer testimony regarding the fossil energy and energy conservation budgets proposed for the Department of Energy. The COE Energy Committee will be pleased to respond to requests for additional information or perspectives on other aspects of our nation's energy program.

PREPARED STATEMENT OF SIEMENS WESTINGHOUSE POWER CORP.

SUMMARY OF RECOMMENDATIONS

Siemens Westinghouse Power Corporation recommends the following funding levels for Central Systems and Distributed Generation Systems in the fiscal year 2002 DOE Fossil Energy R&D budget for Interior Appropriations:

[In millions of dollars]

Central Systems, Turbines	15
Central Systems, University Gas Turbine Technology Research Program	5
Distributed Generation, Fuel Cells, Vision 21 Hybrids	15
Overall Fuel cell budget	60

—Recent problems in the West and elsewhere have demonstrated the need to increase the supply of clean, affordable electric power while improving the efficiency of its use.

—Technology development funding is inadequate in the Administration's budget request for the two technologies that offer the greatest near-term potential for improvements in electric system efficiency, economics and reliability.

—Gas turbines and fuel cells are central to increasing the productivity of the US electricity system because they are the final step in converting the energy stored in natural gas and coal to electricity. They have the greatest potential of making additional improvements in generation efficiency and reliability.

—The Administration's elimination of all fiscal year 2002 funding for the DOE's Gas Turbine R&D programs is inconsistent with the role that gas turbines are expected to play in the U.S. energy supply mix over the next 20 years. Therefore, we recommend a fiscal year 2002 funding level for DOE's Gas Turbine R&D program of $15M, a 50 percent reduction from fiscal year 2001 levels. These funds would allow for the orderly completion of on-going contracts and accommodate continued technology development for the Next Generation Turbine program (NGT).

—We also recommend continued support for the University Gas Turbine Technology Research Program, administered by the South Carolina Institute for Energy Studies at Clemson at a level of $5M to encourage pre-competitive basic science program participation by the university community.

—Proposed 2002 funding levels for the DOE fuel cell R&D program are also unrealistically low given the promise the technology holds for meeting future energy efficiency expectations.

—Expand DOE Fossil Energy's overall fuel cell budget from the Administrations's request of $45 million to $60 million to include full funding for the SECA program.

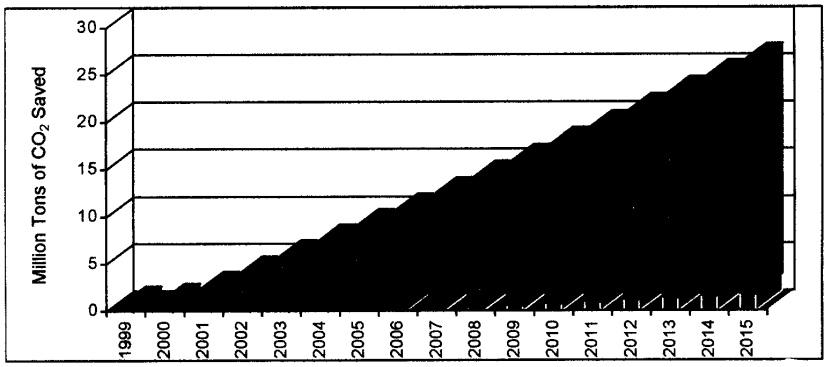
—We recommend an increase in fiscal year 2002 funding for the DOE Vision 21 Hybrid Fuel Cell Program from $11.5 million to at least $15M; a level consistent with fiscal year 2001 funding. Such funding will allow for the support of near-term hybrid demonstration programs that will accelerate commercialization of the technology.

GAS TURBINES

According to recent testimony by the Energy Information Administration (EIA) natural gas use and production is projected to increase substantially between 2000 and 2020. A major reason for this projected increase is a heavier reliance on natural gas for generating electricity, largely from combustion gas turbines which emit very low levels of pollution and can be brought on line in a relatively short time. While EIA projects all sectors to increase their use of natural gas, electric generation is projected to show the greatest increase from about 8 TFC to perhaps 12 TCF or about 50 percent.

EIA estimates the need for between 150 and 200 gigawatts of new gas turbine capacity over the next 20 years; with substantially higher demands if combined cycle gas turbines are included. As a major supplier of gas turbines to generate electricity, Siemens Westinghouse Power Corporation is doing everything it can to meet these challenges in an environmentally acceptable manner while at the same time addressing DOE goals for a more efficient and cost effective technology.

In response to these objectives and other expectations, DOE's Advanced Turbine System program (ATS), which concludes in 2001, succeeded in significantly improving the performance of current gas turbine technologies by increasing operating efficiencies, lowering unit costs and reducing emissions. The figure below shows the projected impact of the program on planned additions to the U.S. power grid, saving almost 30 million tons of CO_2.



New environmental requirements, as well as demands for more cost effective generation technologies, will continue to require a next generation of even more efficient gas turbines. Our past experience with the ATS program suggests that there is a direct correlation between federal R&D spending and the rate of introduction of newer and more efficient generation technologies. For example, one speaker at the March 27 EIA National Energy Modeling System/Annual Energy Outlook 2001 Conference noted that continued technology progress has provided substantially more value to consumers than to industry. The speaker, Vello A. Kuuskraa of Advanced Resources International Inc, estimated that over the next 20 years the benefits to domestic gas consumers of technology progress (a portion of which is gas turbine R&D) would be $1.6 trillion. This is approximately the same as the Administration's proposed tax cut!

Former Congressman Phil Sharp pointed out recently in testimony before the House Appropriations, Subcommittee on Interior, that since the 1970's, significant efficiency gains have been accomplished in nearly every sector of energy production and consumption. He noted that government policies have undoubtedly contributed, through research and development and through energy efficiency standards, to these gains. Thus increased energy efficiencies, especially in gas turbines, have long been a cornerstone of our federal government R&D program initiatives. Congressman Sharp quoted one analysis undertaken by Dr. John Holdren which found that between 1970 and 2000, efficiency improvements saved us two and one half times more energy than was supplied by growth in all fuel use. This Subcommittee has

played a critical role in supporting many of the technologies that have made this progress possible. We appreciate your leadership and we hope to see this strong role continued in the future.

FUEL CELLS

Though results are just now entering commercial markets, the DOE Fuel Cell R&D program has produced its own set of successes. It is now clear that electrical efficiency levels approaching 50 percent are well within the limits of current fuel cell technologies with virtually no emissions. This compares to about 25 percent for other distributed generation technologies, and about 35 percent for the average power generated in the United States. The 100kW SOFC system demonstrated by Siemens Westinghouse has shown remarkable performance and long life, leading a key DOE official to call it the "Eveready Bunny of fuel cells—It keeps on going." Furthermore, on an overall fuel effectiveness basis (combining heat and power) it demonstrated 73 percent efficiency! In another recent achievement, a fuel cell hybrid system produced by Siemens Westinghouse, in combination with a micro-turbine, has already demonstrated 52 percent electrical efficiency. Additional development will increase electrical efficiency to 60–70 percent or more. The Subcommittee can take much pride in its support over the years for fuel cell R&D; but additional resource commitments are still required to finish the job of demonstrating system reliability and reducing costs.

Solid oxide fuel cell technology, which Siemens Westinghouse actively developed with DOE support, has achieved extraordinary environmental improvements with acid rain pollutant emissions measuring less than 0.5 ppm, a factor 40 to 100 times lower than typical US power plants. While costs are still too high for fuel cells to have a rapid market entry, we are actively working with DOE to reduce fuel cell costs and accelerate widespread commercial application. We believe the basic prototype SOFC system can be deployed commercially in 2004. The Vision 21 Hybrid Power Plant, which combines a fuel cell with a micro-turbine, holds the greatest promise for broad commercial application and can be deployed about one year later. Previous fiscal year funding shortfalls have delayed the introduction of fuel cells into the marketplace by perhaps as much as two years. Thus, increasing federal support is critical to keeping the program on an accelerated introduction schedule.

The United States is Siemens Westinghouse's global center of excellence for solid oxide fuel cell technology. Private investment in SOFC fuel cell technology in fiscal year 2002 will be at least $12 million. We believe however, that additional funding will be required to meet both Siemens Westinghouse's and DOE's expectations for this promising technology.

SUMMARY OF RECOMMENDATIONS

Continue the historically strong federal support for improvements in gas turbine technologies by restoring the DOE gas turbine technology R&D program to a funding level for fiscal year 2002 of $15 million.

Continue the Government-University-Industry partnership in gas turbine technology development by funding University turbine research at $5 million

Continue R&D Fuel Cell Systems and Vision 21 Hybrid Fuel Cell research funding, increasing the administration's requested amount from $11.5 to $15 million for each of these programs.

Expand DOE Fossil Energy's overall fuel cell budget from the Administration's request of $45 million to $60 million, to include full funding for the SECA program.

As a nation, it is unlikely that we will be able to meet our public commitment to greater energy efficiencies, lower emissions and lower electricity costs without continued improvements in gas turbine and fuel cell technologies. No matter which direction our energy future takes, gas turbines and fuel cells are the solution to meeting our future power generation needs. Siemens Westinghouse Power Corporation believes that continued progress toward these commitments will certainly be delayed without increased support for these technologies.

Quoting once again from the testimony of Henson Moore at the Interior Appropriations Subcommittee hearing on March 29, "you are the investors on behalf of the American people". These investments will require both foresight and commitment now if we are to meet our expectations and commitments in the future.

PREPARED STATEMENT OF THE FUEL CELL POWER ASSOCIATION

In last year's statement to the Subcommittee, FCPA stated, "years of insufficient capacity and transmission additions have resulted in the North American Electric

Reliability Council forecasting negative power margins in several regions of the U.S. by the year 2007." This year's rolling blackouts in California have brought this problem to the attention of the entire nation. Electric power industry analysts are now predicting that this condition is not only going to worsen in California, but the Northwest, Midwest and Northeast regions of our nation are in danger of experiencing California style rolling blackouts' this summer.

The American public now understands that an inadequate supply of reliable power is threatening the U.S. economy. The nation's consumers also recognize that electricity can, and must, be produced and delivered more cost effectively and more cleanly than it has in the past. Clean, efficient, and highly reliable fuel cells can transform the way power is generated and delivered in the United States. Fuel cells emit virtually no pollution, are substantially more efficient than existing technologies, and are ideally suited to the developing market place for distributed generation. Because fuel cells can be quickly installed at the "point of demand" to supply high-quality power, they are the ideal solution for the kinds of problems we are experiencing in California.

To meet the nation's growing demand for clean power, FCPA recommends that Congress provide the following fiscal year 2002 funding levels for DOE government/industry fuel cell research and development partnerships.

FUEL CELL POWER ASSOCIATION FISCAL YEAR 2002 STATIONARY FUEL CELL R&D RECOMMENDATIONS

Office of Fossil Energy—Distributed Generation Systems—Fuel Cells

[Millions of dollars]

Fuel Cell Systems	13.5
Vision 21 Hybrids	15.0
Innovative Systems Concepts—SECA	21.1

If the nation is to meet its demand for reliable power and realize fully the goal of clean, cost effective power, we need to increase the national commitment to fuel cell development and the near-term commercialization of these technologies. Fuel cells are devices that convert chemical energy in fuel to electricity and heat, without combustion. Exceptionally efficient, non-polluting, and highly reliable fuel cells will transform the way power is generated and delivered.

DOE is leading the federal government's effort to make this vision a reality through its stationary fuel cell R&D initiatives. These DOE programs form critical partnerships with the fuel cell industry so that fuel cell power generation systems can be made available in a timeframe that coincides with the nation's growing demand for new sources of power.

FUEL CELL SYSTEMS/VISION 21 HYBRIDS

The vision of commercially viable power generation using molten carbonate and solid oxide fuel cell technologies has been proven—but much work needs to be done before the units are ready for commercial use. Progress is attributable to the DOE Office of Fossil Energy Fuel Cell Systems technology development partnership program. The partners are achieving milestones consistent with program funding levels, but not on program schedule.

While the Federal investment in power generation technology R&D has increased the pace of fuel cell development efforts, years of funding at levels well below the amounts identified in the program plans continues to delay the technologies' readiness. Again this year, the initial funding levels proposed by the Administration are below the amounts agreed upon and needed to fulfill the requirements of the program. Considering the current state of U.S. electric generation capacity, the Federal government should be attempting to accelerate, not decelerate, the pace of fuel cell market availability. It is critical that Congress and the Administration make these two projects a top funding priority, budgeting and appropriating the resources needed to drive this much needed power generation technology closer to the point of commercialization.

In accordance with current program goals, the Molten Carbonate and Solid Oxide Fuel Cells are expected to be commercially available in sizes up to 2MW by 2003. These systems will have total system thermal efficiencies up to 85 percent LHV with fuel to electricity efficiencies of 50 to 60 percent. Following the markets acceptance of the initial commercial products, manufacturers are also planning to make systems in the 50 to 100 MW range. Reductions in the cost of coal gasification and gas cleanup will ultimately lead to the fueling of these products with coal as early as 2010.

The Molten Carbonate and Solid Oxide Fuel Cell work directly impacts the success of Fuel Cell/Gas Turbine Hybrid Systems that are expected to realize a 25 percent increase in efficiency and 25 percent reduction in cost for a comparably sized fuel cell. Combining fuel cells and gas turbines wll provide the synergy needed to realize the highest efficiencies and lowest emissions of any fossil energy power plant. The Hybrid System will use the rejected thermal energy and combustion of residual fuel from the high-temperature molten carbonate and solid oxide fuel cells to drive a gas turbine. The gas turbine helps reduce the balance of plant cost.

By 2010, these hybrid configurations are expected to achieve efficiencies greater than 70 percent, and 80 percent efficiencies are expected by 2015. Past and current DOE fuel cell and gas turbine R&D programs have laid the technological groundwork for the hybrid systems.

Exploratory research on fuel cell/turbine hybrids is underway involving the evaluation of a 75-kilowatt turbine operating in combination with a simulated fuel cell. Researchers are engaged in conceptual feasibility and special purpose turbogenerator design studies.

The Fuel Cell Power Association recommends the Fuel Cell Systems (Molten Carbonate Systems) and Vision 21 Hybrid (Solid Oxide Fuel Cell Systems) programs receive fiscal year 2002 funding at $13.5 and $15 million respectively.

INNOVATIVE SYSTEMS CONCEPTS—SECA

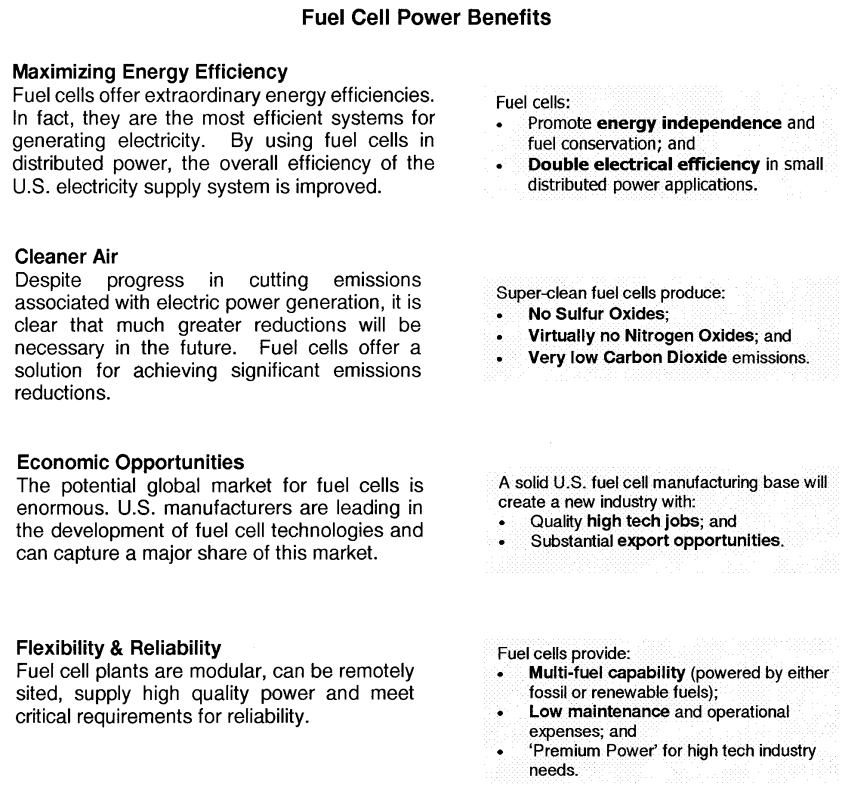
The DOE Innovative Systems Concepts—SECA R&D program goal is to develop a new generation of lower cost fuel cells. To attain lower costs, the program will focus on integration of design, high-speed manufacturing, and materials selection. The program aims to realize the full potential of fuel cell technology through long-term materials development

The SECA program will focus on the development and mass production of 5kW solid state fuel cell modules. Ultimately, these fuel flexible, multi-function fuel cells are projected to attain 70–80 percent efficiency in combined-cycle mode, and will provide future energy conversion options for large and small-scale stationary and mobile applications. The program is also targeting the achievement of stack fabrication and assembly costs of $100/kW, system costs of $400/kW, near-zero emissions, and compatibility with carbon sequestration.

Industrial development teams share the development costs on these fuel cell power generation systems. The teams will develop the manufacturing capability and packaging needed for the different land-based power generation systems to automotive auxiliary power units targeted by the program.

Universities, national laboratories, and other research-oriented organizations will participate in a Core Technology Program to support the industrial development teams. The industry teams will determine the scope of the problem-solving research needed to overcome barriers, and the resulting research will be made available to all industrial teams. The National Energy Technology Laboratory and the Pacific Northwest National Laboratory will provide the coordination and technical resources.

FCPA recommends that the Innovative Systems Concepts—SECA Program should be funded at $21.1 million in fiscal year 2002.



FULE CELL POWER ASSOCIATION

The Fuel Cell Power Association (FCPA) promotes the interests of the fuel cell industry by educating the government and public on the societal benefits of highly efficient, clean fuel cell power. Of primary importance to FCPA's members is the advocacy of government support for R&D programs and regulatory policies to facilitate the development and commercialization of fuel cell technology for stationary power. A key element of this communication is the education of government officials on the essential role the government plays in improving the economic and technical viability of fuel cells for stationary power.

PREPARED STATEMENT OF THE GAS TURBINE ASSOCIATION

The Gas Turbine Association (GTA) appreciates the opportunity to provide the Senate Appropriations Committee's Interior and Related Agencies Subcommittee with our industry's statement regarding the Department of Energy's Office of Fossil (FE) and Office of Energy Efficiency and Renewable Energy (EE) fiscal year 2002 funding. GTA recommends Congress provide funding at the following levels for DOE gas turbine research and development programs:

[In millions of dollars]

FE Next Generation Turbine Program:	
Turbine Power Systems Development and Integration	45
Reliability, Availability and Maintainability Improvement	20
Crosscutting Research and Development	15
EE Distributed Energy Resources Program:	
Advanced Microturbine Systems	20
Industrial Gas Turbines	7
Technology Base	13

FE NEXT GENERATION TURBINE PROGRAM

U.S. Department of Energy (DOE) Next Generation Turbine (NGT) Program focuses on R&D to reduce power transmission congestion, and improve the reliability, availability, and maintainability of existing and future turbine power generation systems. The NGT Program has been designed to fully integrate into the DOE Vision 21 power plant plans by targeting technologies that will deliver the maximum power supply efficiency and fuel-flexibility. The following highlights the benefits of this R&D effort and the Gas Turbine Association fiscal year 2002 R&D funding recommendations.

Turbine Power Systems Development and Integration ($45 Million)

Flexible Turbine Systems.—The Flexible Turbine Systems will fill a critical void in the U.S. power generation capability by (1) Operating in the intermediate range of 500–5,000 hours per year with an output greater than 30 MW; (2) Providing electricity at a cost 15–20 percent below that of current systems serving this power generation segment; (3) Serving as new capacity, or in re-powering of older fossil units by replacing the more than 120,000 MW of aging oil and natural gas fired steam cycle plants across the country, and providing at least 15 percent more efficiency than current systems, with both capital cost in $/kW and maintenance cost in $/kWh 15 percent less than comparable conventional products; and (4) Enabling the partial re-powering of existing steam plants, without investing in a full re-powering project enabling both base load and on-peak power from those facilities, and provide waste heat for regeneration, feed-water heating, steam raising, and fuel heating.

Fuel-Flexible Advanced Turbine System.—While most gas turbines are currently fueled by natural gas, cost-effective conversion of coal and renewable gas streams into clean power cannot be accomplished without an advanced gas turbine system. Gas Turbines are the cleanest and most efficient way of using coal as a fuel, via integration with coal gasification systems. The achievement of important technological advancements will enable the near-term, economical utilization of these fuels in state-of-the-art Fuel-Flexible Advanced Turbine System.

Turbine Fuel Cell Hybrids.—The DOE Vision 21 initiative identifies Turbine Fuel Cell Hybrids as key technology for enabling energy plants to serve the U.S. and global energy needs of the early 21st century. A gas turbine is used to pressurize fuel cells and thus the system requires development of customized turbo machinery and balance of plant to reduce the overall cost of projected commercial systems. Development of multi-megawatt size hybrid systems, and extensive field demonstrations, are necessary to achieve the goals of the DOE Vision 21 plans. The Hybrid will (1) Achieve the ultra-high 70 percent efficiency; (2) Emit ultra-low emissions of less than 1 ppm Nox; and (3) Provide distributed energy with multi-fuel capability (natural gas, coal and renewable).

Reliability, Availability and Maintainability (RAM) Improvement ($20 Million)

The genesis of the deregulated power market has heightened the need to ensure that RAM improvements are made. In a deregulated market, cost competitiveness becomes more crucial as electric utilities enter a new competitive business environment where operating and maintenance costs cannot be passed on to the consumer. Thus turbine purchasers look more critically at RAM and expect the manufacturers to provide some guarantees. This means that RAM improvements must be made for turbines to thrive in the new market place. To ensure that U.S. turbine power plants will operate reliably and sustain system viability, improvement are needed in advanced condition monitoring systems for power plants must incorporate performance monitoring, mechanical integrity analysis, and component life management. Advanced monitoring will require considerable development effort on (1) sensors, (2) controls, (3) condition/health monitoring systems, (4) expert predictive systems, and (5) turbine power-plant life-cycle management.

Crosscutting Research and Development ($15 Million)

To support the development and operation of next generation systems, teams of U.S. government organizations, industries, universities and DOE national laboratories, will conduct R&D. Key R&D technology needs have been identified for combustion systems, materials, advanced computing, sensors and controls /instrumentation. Crosscutting R&D will continue throughout the NGT Program. The development of these technologies will solve technical barriers that cut across all types of gas turbine development needs. A prominent highlight of the successful ATS Program was the creation of the Advanced Gas Turbine Systems Research (AGTSR) Program. This work is being continued under the NGT Program. AGTSR is a consortium of more then 95 universities in 37 states make up the consortium, bring together the engineering departments of the nation's leading universities and indus-

trial turbine developers to ensure that the next generation of natural gas turbines is built on a solid base of knowledge. AGTSR programs provide training for students in research relevant to the U.S. gas turbine industry and hence future employees.

EE DISTRIBUTED ENERGY RESOURCES

To help meet the next century's projected demand for power, increased emphasis is being placed on developing distributed generation systems. Electric utility industry deregulation and uncertainty that can be associated with capital intensive centralized power plants are making distributed generation an economically attractive alternative for expanding electric power generation sources. Improved microturbine and gas turbine/fuel cell hybrid technologies are needed to expedite the installation of clean, efficient and affordable distributed generation systems.

Microturbine Systems ($20 Million)

Microturbines, especially when combined with a heat recovery system would produce compact, highly efficient power and hot water for commercial and small industrial applications. High efficiency microturbines would use significantly less fuel, and are likely to be environmentally preferred, compared to power generated at a non-gas turbine based conventional combustion power plant. Microturbines range in size from about 25 kW's to several hundred kW, and provide:

—Low-maintenance, low first cost and cost effective;
—Standalone operation, i.e. running off-grid, or can operate in parallel with the grid;
—Multi-fuel capability (natural gas, diesel, propane and even landfill gas);
—Base load, peak shaving; emergency standby service, combined heat and power (cogeneration), voltage support to grid, and improvement in power quality.

Funding for advanced microturbine development to increase efficiency by 15 percent, reduce cost per kilowatt, achieve lower-emissions, and customize turbo machinery for hybrid applications.

Industrial Gas Turbines ($7 Million)

Many improvements have been made to industrial gas turbines as a result of the DOE Industrial ATS program. Work on further reducing the emissions levels of this distributed generation technology will allow the installation these systems in ozone non-attainment areas. This will expand the range of manufacturing, industrial commercial building and power park applications.

Technology Base ($13 Million)

Work on advanced materials improvements, such as advanced ceramics, needs to continue in order to fully realize the investments already made in this base technology area. Materials that allow turbines to endure higher temperature operation will enable these systems to reach even higher efficiencies with lower emissions levels. Improvements in reliability, availability and maintainability will be achieved through the development and refinement of sensing and process control technologies. These improvements will facilitate the integration of gas turbine systems into distributed energy systems.

PUBLIC BENEFITS FROM DOE GAS TURBINE R&D PROGRAMS

DOE gas turbine R&D Programs stimulate economic growth, clean up the environment, and ensure that the U.S. has a reliable supply of power. The implementation of the next generation of advanced turbine technology R&D programs will accelerate U.S. market restructuring and environmental goals. Armed with new advanced gas turbine systems, the U.S. power supply industry will provide America with the following.

Provide Reliable Power

The United States can have technologies that can operate better in the dynamic restructured market including technologies able to perform "just-in-time" dispatch without operational or environmental penalties. This translates into improved power quality and fewer disruptions in power supply.

Increase Economic Strength through Improved Power Systems

Develop and accelerate deployment of advanced technologies to reduce the cost of electricity, create new jobs, and stimulate investment to support economic development. U.S. expertise in these sophisticated technologies will also position companies for success in growing international power generation markets.

Meet Mounting Demand for Increased Power Production Capacity

U.S. demand for electrical power is expected to increase by nearly 35 percent over the next 20 years. Manufacturing and information technology businesses require reliable power generation thus dictating the need for DOE next generation of R&D programs to develop state-of-the-art gas turbines for reliable, low-cost electricity.

Ensure A Cleaner Environment

DOE gas turbine programs provide a cost-effective solution for clean power. Advanced gas turbine technologies developed through DOE programs have much higher efficiencies and lower emissions than competing combustion power systems.

Replace Environmentally Deficient, Aging Power Plants

In today's market, only revolutionary, advanced gas turbine technologies provide the economic advantages needed to trigger the accelerated retirement of inefficient, environmentally challenged base-load power plants.

PREPARED STATEMENT OF THE UNIVERSITY OF ALASKA, FAIRBANKS

I strongly encourage the Subcommittee to support the budget request of $7.0 million for the Transportation Fuels and Chemicals program within the Fossil Energy Research and Development, Fuels and Power Systems, Fuels program of which $3.7 million is for the ceramic membrane projects. The DOE fiscal year 2002 cost share needs for the ITM Syngas Project (ceramic membranes) is $5.0 million—$3.7 million from the Fossil Energy Research and Development, Fuels and Power Systems, Fuels budget and $1.3 million from the Energy Supply, Renewable Energy Resources, Renewable Energy Technologies, Hydrogen Research Program.

The University of Alaska, Fairbanks urges that the budget request be supported to maintain the technical progress and the program schedule of this important project. Underfunding of the project budget in fiscal year 2002 would cause a project delay that could significantly increase the overall cost of the project and negatively impact the timing of constructing a commercial-scale Gas-to-Liquids facility using the ceramic membrane syngas technology on the Alaskan North Slope. The ceramic membrane-based Syngas projects promise to significantly lower the cost of converting natural gas to a liquid fuel, resulting in the use of vast domestic remote resources of natural gas that cannot be economically delivered via pipeline to market.

Experts estimate that there is more than 38 TCF of recoverable remote gas on the Alaskan North Slope. In a recent circular, the United States Geological Survey estimates that there is more than double that amount of technically recoverable remote reserves in undiscovered fields in Alaska as well as offshore reserves in deep waters in the Gulf of Mexico and along the Pacific coast.

Alaska's challenge for years has been how to economically produce and transport its remote natural gas to market in an environmentally responsible way within a very competitive international economy. Domestic oil production, especially the large fields in Alaska, is on a decline, and petroleum imports are projected to exceed 60 percent of our national needs by 2010. Already, in Alaska, 4 out of 11 (36 percent) operating pumping stations for the Trans Alaskan Pipeline System (TAPS) have been shut down and placed on standby. As the production decline continues, the long-term viability of the TAPS is uncertain. Therefore, developing a means to recover and transport remote natural gas in Alaska is of vital importance to the Alaskan economy, the nation and potentially to the future of the TAPS. Unfortunately, current technologies are far too costly for reserve owners to bring most of Alaska's gas to market.

A promising solution is to convert the remote gas to transportable liquid products which could be easily delivered to the market in the lower 48 states using the existing petroleum infrastructure in Alaska. The University of Alaska, Fairbanks, School of Mineral Engineering, is working with the Department of Energy to conduct an evaluation of various methods for transporting gas-to-liquid (GTL) products, commonly called "white crude," through the existing TAPS. Utilizing the TAPS for GTL product transport will significantly increase its operating lifetime. In addition, it will further enable the recovery of 1–2 billion barrels of oil from the North Slope, which would remain unrecoverable if the pipeline were to be prematurely shut down.

However, utilization of gas-to-liquids conversion technology is dependent on developing a low-cost alternative for synthesis gas production, the first processing step in which natural gas is converted to a mixture of hydrogen and carbon monoxide before being processed by Fischer-Tropsch (FT) technology to make liquids. This technology is based upon a novel ceramic membrane reactor that could significantly

reduce the cost of syngas production, enabling economic gas-to-liquids conversion. Completed conceptual process design and economics for ceramic membrane syngas show a >33 percent capital cost savings versus conventional autothermal reforming/cryogenic air separation. The University of Alaska, Fairbanks, School of Mineral Engineering will provide expertise in Arctic Engineering and materials handling as part of the ceramic membrane syngas project team which is comprised of a broad, but complementary group of entities: Technology developer-Air Products; Economic Evaluation and ultimately commercialization—Chevron and Norsk Hydro; Reactor Design and Engineering—McDermott; Ceramic materials Processing—Ceramatec; Ceramic materials and seals development—Eltron Research and Pacific Northwest National Laboratories; and Analytical Research work—University of Pennsylvania and Penn State University.

Over the past three and a half years, the project team has made very significant progress at the laboratory scale in the parallel path development of new materials, catalysts, seals, reactor designs, ceramic powder and membrane fabrication, process design and engineering and economic evaluation. All the objectives of the first phase of the program were successfully completed, and the project is now one year into Phase 2, where the technology will be demonstrated in two significant stages of scale-up. The program continues to be on schedule and to meet all of its milestones. More detailed process and economic assessments by Chevron, Norsk Hydro, McDermott International and Air Products, at larger scale plant size, and incorporating laboratory data, have confirmed the potential for significant >33 percent capital cost savings in syngas generation by the new technology compared with conventional routes. Eltron Research has tested under high-pressure process conditions laboratory samples of ceramic membranes and seals produced by Ceramatec. Stable performance has been demonstrated in these tests for over 3,500 hours of continuous operation under simulated process conditions. A process development unit operating at a nominal scale of 24,000 SCF per day of synthesis gas product (equivalent to 0.75 bbl/day of liquid fuel products) has been built and installed at Air Products, and is undergoing shakedown. This unit is on schedule to start operation later in April 2001, and represents the first significant scale-up from the laboratory test units constructed in Phase 1 at Eltron Research and Air Products. The unit will demonstrate the performance and operation of the ITM Syngas process in a membrane reactor resembling the full-scale design at complete commercial operating conditions. The first ceramic membrane modules to be tested in this unit, sub-scale versions of the commercial size modules, have been successfully fabricated by Ceramatec. A second stage of major process scale-up, an engineering prototype system operating at a nominal scale of 500,000 SCF per day (equivalent to 15 bbl/day of liquid fuel products), is being planned for operation in 2003.

The continued development of the ceramic membrane syngas process will require a substantial financial investment by both the private and the public sector before a commercial technology can be realized. Since initiating this project in 1997, in response to a competitive DOE procurement, the Air Products-led project team has provided 50 percent cost-share of ceramic membrane syngas development and has agreed to full payback of the federal funding contribution should the technology be successfully commercialized.

The FT GTL product is exceptionally clean burning, high cetane diesel fuel that is environmentally acceptable. Further, in a climate of high gas prices due to world crude supply restrictions, the Alaskan North Slope GTL process, made economically feasible by ceramic membrane syngas, will reduce the U.S. dependency on oil imports. In addition, the syngas process is ideally suited to generate hydrogen in the size ranges required for the distributed hydrogen required for future fuel cell powered vehicles and stationary fuel cell power generators. Cheaper hydrogen made possible by syngas will also help the petroleum refineries meet increased hydrogen demand for Clean Air Act-driven oxygenated gasoline, reformulated gasoline, lower-sulfur diesel fuels and upgrading of heavier and high-sulfur crude oils.

A major reduction in the cost of producing synthesis gas via ITM Syngas will also have a cross-cutting impact on many U.S. industries which depend upon synthesis gas as a raw material in the manufacture of commodity chemicals and consumer goods, such as clean-fuel additives, rubber, polyester textiles, urethane foam, plastics, paint, detergents, and fertilizers.

Furthermore, the membrane-based syngas technology will have a favorable environmental impact on the North Slope due to a substantial reduction in the emission of greenhouse gases and pollutants (CO_2, CH_4, NO_X and SO_X). A viable GTL technology will virtually eliminate the need for the current practice of flaring the associated natural gas and will reduce gas combustion requirements for wellhead reinjection, all of which are sources of pollutants.

In conclusion, I would like to restate the importance of the Department of Energy's Emerging Processing Technology Applications program within the Fossil Energy-Natural Gas Research budget. This shared investment by government, industry, universities and national laboratories in developing new energy technology to efficiently use our natural gas resources is integral to our nation's efforts to protect our future economy from escalating energy costs and to improve environmental quality. I strongly believe that new gas processing technology, such as the ceramic membrane syngas, will not only benefit the citizens of Alaska, but will also enhance the global competitiveness of our nation as we move forward into the 21st century.

PREPARED STATEMENT OF THE NATIONAL MINING ASSOCIATION

The NMA member companies account for approximately three-fourths of the coal production in the United States, over one billion tons annually, and the vast majority of mined minerals. The purpose of this statement is to present the mining industry's views on fiscal year 2002 programs for the following agencies: Office of Industrial Technology, Office of Fossil Energy, Energy Information Administration, U.S. Geological Survey, Office of Surface Mining and Bureau of Land Management.

OFFICE OF FOSSIL ENERGY

NMA supports the Department of Energy's (DOE) Clean Coal Power Initiative's requested level funding of $150 million to create government-industry partnerships to demonstrate innovations that will allow coal-fueled power plants to operate more efficiently and with improved environmental performance. It is difficult for utilities, especially under a deregulated and now competitive environment, to take the financial and technical risks associated with using first of a kind technologies. This program will help offset those risks.

The Clean Coal Technology Program has been one of the most successful cooperative R, D&D efforts between the government and industry having demonstrated a number of technologies to enable coal to meet current environmental and performance standards. NMA supports the use of $82 million in previously appropriated funds to initiate construction of the Advanced Pressurized Circulating Fluidized Bed demonstration project, to continue construction of the fixed-bed slagging gasification and fuel cell demonstration project and to initiate operation of the Circulating Atmospheric Fluidized Bed demonstration project—all projects previously approved under the CCT program. To address ever expanding environmental requirements, NMA requests that the $4 million reduction in funding for the ongoing work on pressurized fluidized bed combustion, primarily at the Wilsonville Power System Development plant, be restored.

In addition, ongoing past R&D activities must be maintained and support expanded use of coal while addressing existing and possibly more stringent environmental standards. Unfortunately, the fiscal year 2002 budget request for Fuel and Power Systems shows a very sharp decrease of $69 million from fiscal year 2001 levels, $229 to $160 million. As the Administration wants to emphasize energy supply, and given the importance of coal to the existing generating mix and the need to develop technologies to allow the currently operating fleet to meet new environmental and efficiency requirements, coupled with the need to develop the power plant of the future, the fiscal year 2002 budget should be funded at least at fiscal year 2001 levels. The budget emphasizes clean coal technologies, which we fully support. But, the importance of basic coal and fuel systems research should not be ignored, and it is equally important—for future years—to maintain and accelerate this work.

In particular, innovations for existing power plants should be increased by $7 million (in part to sustain development of mercury control technologies) gasification technologies by $15 million (important for Vision 21); and the program to develop advanced turbines should be funded at $30 million, level with fiscal year 2001 funding, rather than being zeroed out. These dollars would be used to support follow on work to the highly successful Advance Turbine Systems R&D program and will develop turbines for the next generation of power plants for the Vision 21 program.

Vision 21 looks to the future where highly efficient power plants will continue to use coal and other fossil fuels to provide Americans with low-cost electricity and other products. Vision 21 will incorporate and expand many of the technologies developed in the Clean Coal Technology program (e.g., PFBC and IGCC). The work that DOE is proposing for fiscal year 2002 is critical if Vision 21 technologies, designed to reduce emissions, are to be demonstrated by 2015. This program should be accelerated and we support funding at or above the requests for the various elements of Vision 21 included in the Fuels and Power System Budget request. We also

advocate the Los Alamos National Laboratory's research request of $1 million to assist with the development of the Zero Emission Coal Alliance (ZECA) project. ZECA will improve existing technology to double the net efficiency of coal-based generation and produce a concentrated stream of carbon dioxide that can be sequestered.

Carbon Sequestration Methods promise to offer an alternative to emitting carbon dioxide to the atmosphere. Most of these projects will be a longer term, with the exception of projects such as the ZECA project described above. NMA supports DOE's request for an increase in carbon sequestration funding to $20.7 million and believes that this program could constructively use at least $10 million in additional funding. This additional funding could be used to strengthen the portfolio of near-term R&D sequestration work, to support projects selected in the second solicitation for sequestration research and to expand work in this important area. An alternative to Kyoto is needed—sequestration must be a vital part of that alternative if we are to continue to use affordable coal (and other fossil fuels) to support our economy in the future.

Coal Research and Development. It is important to continue funding for coal preparation and liquefaction technologies. Advanced coal preparation technologies promise to reduce the cost of continued use of coal in traditional applications in large industrial and electric utility boilers. It is important to continue the industry cost-shared research work on technologies for the manufacturing of carbon products. Research in the areas of advanced technologies for solid-solid and solid-liquid separations directed toward fuel production and use is equally important. DOE has reduced its funding required for solid fuels and feedstocks by $2.3 million. This funding should be increased to $10.0 million, which includes $3.0 million for advanced separation research. NMA supports continuation of funding for the Steubenville Comprehensive Air Monitoring Program (SCAMP), which is a program to develop information that is essential for defining the relationship between fine particulate matter (PM) concentrations in ambient air and the fine PM concentrations to which individuals are exposed. SCAMP is co-funded by the Department of Energy, the Ohio Coal Development Office, the National Mining Association, the American Petroleum Institute, the Electric Power Research Institute, the American Iron and Steel Institute, and CONSOL Inc.

University Research. The DOE provides little support for research on mining at the academic institutions. This diminishes the national capability to develop fundamental science to improve mining practices, and impairs the abilities of the universities to train future generations of mining engineers. In addition to its programs in oil and gas production, the Fossil Energy office should institute a program to support academic research in mining.

OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

The Mining Industry of the Future Program. The research priorities developed through this industry/government partnership offer important direction to the DOE, industry and Congress as the research agenda needed for a sustainable mining industry in the 21st Century. Response to the program has been overwhelming. Since 1999, 111 proposals totaling $113 million have been received—at 50 percent, DOE's cost share would be $56.5 million. In 2000, 16 new crosscutting projects were selected from 62 proposals, bringing the total active projects to 26. Another technology roadmap was completed which defines research requirements that address the industry's mineral processing needs and 21 proposals were submitted in response to a national-laboratory call for proposals. These proposals were technically evaluated earlier this year. DOE's fiscal year 2002 obligations for the existing 26 projects are $3.7 million alone. The $2.1 million that DOE has requested for mining for fiscal year 2002 is clearly too low to meet the existing obligations let alone support mineral processing or other mining research projects. NMA respectfully requests that the Mining Industry of the Future Program be funded at $10 million in fiscal year 2002.

ENERGY INFORMATION ADMINISTRATION (EIA)

In addition to its value to the Nation, the functions performed by the EIA are of significant importance to the mining industry. EIA's unbiased analysis and independent short and long-term forecasts form a basis for reasoned and responsible policy decisions by the Congress, the DOE and other government agencies on both the Federal and State levels. EIA's independence and objectivity are especially important as the Nation considers the effects of energy price increases and energy shortages on our economy. EIA's energy data collection and dissemination responsibilities are essential to industry's ability to evaluate production and market trends and to make investment decisions, which benefit the Nation. Unfortunately, over the past

several years funding levels for EIA have been level or declining. With this decline has come a very notable deterioration in data quality and timeliness. Coal data in particular is not of the quality that it once was and NMA urges the Congress to insist that attention be given to correct this problem. Data on coal production and consumption in 1999 is not yet available (April 2001) and this presents a particular problem now that our Nation is experiencing problems with energy supply and increases in energy prices. EIA could not begin to estimate either coal production and production trends, or coal consumption at utilities or stockpiles on a reliable basis due to lack of information. We urge the subcommittee to support current levels of funding as a minimum, and increase the amount available to EIA with the specific instructions to correct the data collection and reporting problems in the coal and utility sectors.

U.S. GEOLOGICAL SURVEY (USGS)

The USGS's role in mineral exploration, identification of geological hazards and mapping offers important support to the mining industry. NMA supports maintaining these programs at current, or expanded levels. In addition, the USGS is the only source for most of the United States' statistical data on mining and minerals commodities. This information provides the basis for informed policy decisions by government and is extensively used by other government agencies, by Congress and by State and local governments, as well as by industry, academia and nongovernmental organizations. NMA opposes the reduction of funding for the Minerals Information Service included in the fiscal year 2002 budget request. It is our understanding that the USGS plans to eliminate the International Minerals Component of the USGS Mineral Information Team. This is the group that collects, analyzes, and disseminates information and data on the international supply and availability of more than 100 commodities in more than 180 countries. This is the U.S. government's ONLY source for this important information that allows the trackage of the availability of strategic minerals NOT mined in the United States. Elimination of this program is very short sighted in an era of increasing globalization of the minerals industry and expanded trade. It would be very difficult to replace this data and information effort once eliminated. NMA urges the Congress to restore this $2 million to the USGS budget with the explicit instructions that it be devoted to the Minerals Information Team and that the International Minerals Component be retained.

CROSSCUTTING ACTIVITY

The NMA, the Interstate Mining Compact Commission and several Federal agencies (OSM, BLM, DOE, and USGS) have actively participated in the Acid Drainage Technology Initiatives (ADTI) since 1995. The ADTI is a nationwide technology development program with a guiding principle of building a consensus among Federal and State regulatory agencies, universities and consulting firms, to predict and remediate acid drainage from active and inactive coal and metal mines. It is not a regulatory or policy development program. ADTI receives funding and other support from industry and several Federal agencies for specific projects. The Office of Surface Mining has provided the ADTI $200,000 for the last three fiscal years for activities related to acid mine drainage from coal mining. If each of the Federal agencies, OSM, BLM, DOE, USGS, USFS and other agencies as appropriate, were provided funds to commit $200,000 toward ADTI, approximately $1 million would be available to support the work of this vital initiative.

OFFICE OF SURFACE MINING (OSM)

To ensure the continued success of this unique and successful program, State funding through the Title V grant process is crucial. Title V grants should be increased at a minimum to reflect the states "uncontrollable and fixed costs." It is patently unfair to increase the funding of Federal oversight while ignoring the needs of the states that are on the front-line of program implementation. The Abandoned Mine Land Fund is funded exclusively by a tax on active mining operations. The fund's current surplus as well as additional reductions in Federal overhead should allow for additional state mitigation of historic abandoned mine sites.

BUREAU OF LAND MANAGEMENT (BLM)

While NMA supports additional funding to expand the energy and minerals activities of BLM, specific attention should be focused on the need to plan, prepare and implement an accelerated lease-by-application program for Federal coal resources to meet the increasing demand for this reliable and inexpensive resource. The solid minerals program has been all but ignored over the last eight years and needs addi-

tional resources as pointed out in the National Research Council's report "Hardrock Mining on Federal Lands" (1999) to accomplish its mission. Over the next year, the Administration should be encouraged to review this report and make recommendations to implement necessary administrative changes to improve the implementation of the 1980 Surface Management Regulations as recommended by the NRC.

PREPARED STATEMENT OF VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

Mr. Chairman and Members of the Subcommittee. I am Roe-Hoan Yoon and I am the Director of the Center for Advanced Separation Technologies (CAST) at Virginia Polytechnic Institute and State University. I appreciate the opportunity to submit this statement in support of additional funding of $8 million for the Solid Fuels and Feedstock's Program, Fossil Energy Research and Development, U.S. Department of Energy. The additional funding request includes $3 million for advanced separation research and development.

In fiscal year 2001, the Congress appropriated a total of $4.291 million for the Solid Fuels and Feedstock's program, which included the following subprograms:

[In millions of dollars]

Tailored Fuels	2.491
Premium Carbon Products	1.427
Advanced Separation	0.300

In the Presidents budget request for fiscal year 2002, the first and the third subprograms were eliminated. Both of these budget items were directed to develop advanced separation technologies, with the Tailored Fuels subprogram directed for near-term applications and the Advanced Separation directed for longer-term high-risk projects. I believe it is shortsighted to eliminate the support for these important efforts.

JUSTIFICATION

The Administration's fiscal year 2002 budget request includes $150 million for the Clean Coal Power Initiative, which is a part of its $2 billion commitment for the next 10 years. In addition, it includes $159.8 million for Coal and Power Systems Research and Development, most of which is directed to develop technologies that can burn coal more cleanly at higher efficiencies. Both of these large programs are directed toward minimizing the environmental impacts of burning coal, and thus will eventually help the coal industry continue to mine coal. Therefore, many in the coal industry support the programs. However, there is also a dire need to develop technologies that can help the coal industry minimize the environmental impacts associated with producing coal in the United States.

As coal industry is a mature industry, one would expect that there may not be any need to develop new, advanced technologies. This is far from the truth. Since 1985, coal mine productivity more than doubled, while mine fatalities were cut by more than half. These improvements were achieved through technology innovations. However, there remain serious technological problems associated with fine coal impoundments, valley fill mining, and acid mine drainage, all of which represent serious environmental issues. The technological barriers are so large that coal companies by themselves cannot find appropriate solutions to these problems in near term. The industry needs the cooperation and assistance from the federal government to pursue new technology breakthroughs, just as the Nation's utilities need the federal programs noted above to burn coal more cleanly.

On October 11, 2000, a fine coal impoundment located in northeastern Kentucky failed, releasing 250 million gallons of coal sludge into local streams and schoolyards. It was fortunate that no one was killed by the spillage this time. In 1972, 130 million gallons of coal slurry ran off an impoundment in Buffalo Creek, West Virginia, and killed 125 people. These impoundments hold fine coal wastes that cannot be cleaned and dewatered using the technologies available today. Thus, the impoundments can be eliminated if advanced technologies become available from further research.

After the accident in Kentucky, the Sierra Club called for a national commitment to eliminate all high-risk impoundments, and the Congress appropriated $2 million for National Research Council to study prevention of coal waste impoundments. However, this money is for paper studies and not for developing technologies that can be used to find technological solutions.

TECHNOLOGY DEVELOPMENT

Run-of-the-mine coals are washed in water to remove non-combustible mineral matter from coal. Along with the mineral matter, much of the inorganic sulfur and trace elements such as mercury are removed. The costs of cleaning the coal particles finer than approximately 0.15 mm in size are substantially higher than those for cleaning coarser coals. Therefore, many companies discard the fines along with water to impoundments. In general, 5 to 10 percent of the coal mined in eastern U.S. is too fine to be cleaned efficiently, and approximately one half of it is being discarded. According to a recent survey, there are 713 fine coal impoundments, which are holding 2.5 to 3 billion tons of fine coal.

The coal fines discarded in impoundments represent: (i) the money that companies have already spent for mining, (ii) a waste of valuable national resources, and (iii) an environmental concern. If advanced technologies are developed through industry-university partnerships, they can be used to recover fine coal rather than discarding it to impoundments. They can also be used to re-mine the coal from old impoundments and, thereby, counter balance the high costs of mining.

There are two objectives in coal cleaning. One is to separate mineral matter from coal (solid-solid separation), and the other is to separate water from cleaned coal product (solid-liquid separation or dewatering).

Solid-Solid Separation

Considerable progress has been made for separating impurities from fine coal. The microbubble flotation technology developed with Energy Department's research funding is used not only in coal but also in mineral industries worldwide. The enhanced-gravity separation technology developed more recently can substantially increase the removal of hazardous air pollutants (HAPs) such as mercury from coal. These technologies represent the lowest cost options for removing various impurities from fine coal. Therefore, they can be the method of choice in many developing countries.

Solid-Liquid Separation

The clean coal products obtained from the solid-solid separation processes are dewatered before being shipped to utilities for power generation. Since coal is a low-cost material, it is difficult to justify using thermal driers for dewatering. Furthermore, it is difficult to obtain permits to install thermal driers in the U.S. due to the stringent emission standards. Therefore, coal companies are using mechanical devices such as vacuum filters or centrifuges. But they are inefficient. The vacuum filters cannot reduce moistures to sufficiently low levels, while the centrifuges lose substantial amount of coal fines. Fortunately, promising new methods have recently been developed. The U.S. Department of Energy selected some of these technologies to be further developed and tested in operating plants using the fund appropriated in fiscal year 2001 budget. However, the Administration's fiscal year 2002 budget directed both the solid-solid and solid-liquid separation projects to be concluded without further support.

IMPACTS

In 2000, 56 percent of the nations electricity was generated from coal in utilities, and this percentage may increase in view of the high costs of natural gas. The advanced solid-solid and solid-liquid separation technologies noted above should help the U.S. coal industry produce cleaner and lower cost solid fuels for power generation.

According to Annual Energy Outlook 2001, the price of electricity should decline from 6.7 cents per kWh in 1999 to 6.0 cents per kWh in 2020. This prediction was in part based on an assumption that the price of the solid fuel continues to decline by 1.4 percent per year. Further development of the promising advanced separation technologies may be instrumental in meeting this projection and help the U.S. economy continue to grow.

The advanced separation technologies to be developed under the Solid Fuels and Feedstock's program can be used not only for cleaning fine coal but also for producing high-value mineral concentrates. In 2000, the U.S. mining industry produced $59.7 billion's worth of raw materials, which made the U.S. the largest mining country of the world. Canada was the distant second with $36 billion (in 1997), and Australia the third with $27.6 billion (in 1998).

While the country is facing a fuels supply crisis, it is hardly the time to zero out the R&D budget that can directly help the coal industry.

Mr. Chairman, with the funding I am requesting for advanced separation technologies, the Center for Advanced Separation Technologies (CAST) proposes to con-

duct research in the areas of solid-liquid and solid-solid separations that can be used in both the coal and mineral industries. The first and foremost, we would like to continue to develop new technologies that can be used to recover coal from the coal fines that are currently being discarded to impoundments. Availability of such technologies will be able to eliminate the high-risk impoundment and, at the same time, recover high-value solid fuels for electricity generation. The values recovered from such operation should exceed the costs of eliminating old impoundments. The potentials for the financial gains are so great that several major companies showed interest in using the technologies.

Of the various solid-solid separation technologies used in the coal and minerals industries, flotation is most widely used. In this technique, small air bubbles are used to separate fine particles. We would like to further develop this technology so that they can be used to separate sub-micron sized particles. This can be achieved by improving our understanding of the basic mechanisms involved in the process through mathematical modeling, by developing new reagents that can improve separation efficiencies, and by designing more efficient bubble generators. Other advanced solid-solid separation methods to be developed will include enhanced-gravity separation and bio-leaching. The latter will be an environmentally friendly method of extracting values from low-grade materials. In addition, CAST will conduct basic research on surface chemistry, which serves as the basis for developing new processes, mathematical models, and novel sensors.

I thank you and the Subcommittee for its support of this program to develop new energy-efficient and environmentally beneficial technologies.

PREPARED STATEMENT OF THE ELECTRIC VEHICLE ASSOCIATION OF THE AMERICAS

INTRODUCTION AND OVERVIEW

This testimony is presented on behalf of the Electric Vehicle Association of the Americas (EVAA), a national non-profit organization of electric and other energy providers, vehicle manufacturers and suppliers, state and local governments and others that have joined together to advocate greater use of electricity as a transportation fuel.

After many years of research and development, all of the world's major automobile manufacturers, as well as several independent small businesses, now have made electric vehicles (EVs) available to the marketplace. Since 1996, a total of 4,017 BEVs have been leased and/or sold in the United States. Some automakers also have begun to develop and market small, neighborhood BEVs that have applications in planned communities, college campuses, in station car applications, and other urban settings where space and travel distances are limited and the air quality is poor. In addition, there is growing use of non-road and industrial EVs, especially at airports located in urban areas.

Hybrid electric vehicles also are making inroads in the marketplace. To date, Honda and Toyota have leased and/or sold over 12,480 HEVs in the United States and other automobile manufacturers have announced plans to introduce hybrids into the marketplace in the next two to three years. There also is an interest among environmentalists, regulators, the electric utility industry and others to pursue development of grid-connected hybrid technologies as a means to improve the environmental performance of such technologies.

Industry is providing significant investments for all of these electric transportation technologies, but the federal government has an important role to play in helping to assure that these technologies are developed and brought forth from the laboratories into the marketplace.

FUEL CELLS RESEARCH AND DEVELOPMENT

There is near unanimous consensus among industry, government and environmental groups that fuel cell technology represents the best promise for a long-term solution to the energy and environmental issues associated with transportation. However, many issues remain to be resolved, including fuel specifications, infrastructure support and component technology development. Industry is in a race to bring fuel cell technologies to market, but the subsystems required to produce affordable fuel cell technologies have not been developed fully. The Fuel Cells Research and Development Program is a critical component to assuring that the technologies that are developed will translate into cost effective products for the 21st century.

Fuel cells require significant cost reductions in order to make them acceptable in the marketplace. The California Fuel Cell Partnership is beginning to demonstrate fuel cell vehicle technologies and fueling infrastructure in very limited applications.

The introduction of fuel cells into the transportation sector will increase fuel efficiency, decrease foreign oil dependency, and become an important strategy/technology to mitigate climate change. Last year, $41.5 million was appropriated for the continuation of research and development on fuel cell technologies that can be incorporated into advanced transportation technologies.

EVAA strongly encourages the Subcommittee to fund fuel cell R&D efforts at or above last year's enacted level.

UNITED STATES ADVANCED BATTERY CONSORTIUM

EVAA continues to support funding for the United States Advanced Battery Consortium (USABC) and the Exploratory Technology Research Program. Significant breakthroughs in battery technology are required for the successful commercialization of full-function, consumer-attractive BEVs. The USABC is a battery research and development program critical to the advancement of EVs. Through this program, nickel metal hydride advanced batteries have been successfully developed and introduced for EV use. Over 1,000 nickel metal hydride battery EVs have been put into service over the last few years, providing improved vehicle range and performance.

The fiscal year 2002 Budget request includes only $1.079 million for the commencement of an orderly phase-out of DOE's commitment to Phase III of the program and $2.3 million for Exploratory Technology Research. This level of funding is not consistent with earlier commitments made by the Energy Department to support industry's USABC-related activities.

Last year, the USABC and Exploratory Technology Research Program received $9 million in federal funding. EVAA believes this program should be funded at or above last year's enacted level.

Vehicle Field Test and Evaluation Program

The Administration's fiscal year 2002 budget request includes $1.8 million for the Vehicle Field Test and Evaluation Program. These funds would be used to conduct performance and reliability testing of light-duty hybrids and one urban EV; assist the federal agencies in acquiring 15,000 alternative fuel vehicles (AFVs); and, assist industry in developing procedures to track AFV sales.

EVAA continues to believe these funds should be used to help fund the increased use of AFVs by the federal agencies in order to comply with Energy Policy Act (Public Law 102–486) requirements. Recently, DOE's Field Operations Program provided $14,300 to six Federal fleets to help them add electric Ford Ranger pickups to their inventory. The DOE Field Operations Program has provided a total of $996,000 in incremental funding to 37 federal fleets to support the deployment of 220 light-duty EVs over the last three years.

EVAA also encourages DOE to consider mechanisms to encourage the use of "neighborhood" and other low speed EVs in the federal fleets. These quiet and environmentally friendly vehicles can be used in a variety of niche applications. The Vehicle Field Test and Evaluation Program received $3 million in funds last year; EVAA believes this program should be funded at or above this level in fiscal year 2002.

Hybrid Systems Research and Development Program

While initial consumer acceptance of hybrids appears to be high, significant cost reductions need to take place before full volume marketing will occur. The EVAA supports the efforts of industry and the federal government to develop affordable hybrid vehicles with high fuel economy and ultra low emissions. DOE's fiscal year 2002 goals include examining several propulsion system candidates that achieve the performance and target goals for SUVs and light trucks; supporting R&D on high power batteries; evaluating advanced power electronics, and focusing efforts on heavy vehicle propulsion systems. The Hybrid Systems Research and Development Program was funded at $50 million last year. EVAA believes this program should be funded at or above that level in the coming fiscal year.

Clean Cities Program

The U.S. Department of Energy's Clean Cities program is helping the U.S. to achieve energy security and environmental quality goals through encouraging and supporting the purchase and use of AFVs at the local level. Approximately 160,000 AFVs operating in public and private fleets and 4,800 alternative refueling stations have been deployed with the help of the Clean Cities program, already reducing CO_2

emissions by an estimated 641,000 metric tons. These vehicles also will reduce oil use by an estimated 125 million gallons per year. The Clean Cities program takes a unique, voluntary approach to AFV development, working with coalitions of local stakeholders to help develop the AFV industry and integrate this development into larger planning processes.

The Clean Cities program was funded at $10 million in fiscal year 2001. Clean Cities Coalitions are seeking $30 million in fiscal year 2002 funding for the Clean Cites program, with the funds specifically being used to provide grants for the purchase of AFVs and infrastructure projects. EVAA believes this is an important program and any funds made available by this Subcommittee will be used wisely by the enormous cadre of local stakeholders who comprise the 80 designated Clean Cities.

CONCLUSION

The success of electric drive technologies (including battery electric, hybrid electric and fuel cell electric vehicles) in the marketplace continues to require industry and government, working together, to bring down the costs. The federal government's role should continue to focus on participating with industry in efforts to advance electric transportation technologies through research programs like the Fuel Cell Program and the USABC; to join industry in the test and evaluation of the latest EV/HEV technologies through programs like the Vehicle Field Test and Evaluation Program; to work with communities and industry to facilitate deployment of the infrastructure required to support the convenient and safe operation of EVs; and, to use the purchasing power of the federal government to increase the market for EVs. The DOE programs mentioned in this testimony are essential to bringing affordable EVs to the public, and continued funding at the levels advocated will assure progress in the successful commercialization of these important technologies.

PREPARED STATEMENT OF THE NUCLEAR ENERGY INSTITUTE

SUMMARY

The Administration has requested appropriations of $75.5 million in fiscal year 2002 for the Energy Information Administration (EIA), an independent agency within the U.S. Department of Energy. This request includes $8.5 million for EIA's Office of Integrated Analysis and Forecasting. The Nuclear Energy Institute (NEI)[1] believes that EIA's forecasting, at least as it pertains to nuclear energy, is based on flawed modeling and methodology and erroneous assumptions, and urges Congress to require, as a condition of providing the appropriations requested, independent peer review of EIA's forecasting.

NEED FOR ACCURATE ANALYSIS AND FORECASTING

There is increasing evidence that the United States faces serious energy supply and delivery problems. Even assuming successful conservation and efficiency programs, U.S. dependence on imported oil is at a historic high. Natural gas prices across the country have increased dramatically. Several regions of the country face significant shortages of electric generating capacity. The transportation infrastructure for delivery of oil and natural gas requires significant expansion. The transmission infrastructure necessary to move electricity within and between states and regions is seriously overloaded, placing reliability at risk.

The imminent threat to reliable supplies of energy at stable, predictable prices is leading to new interest in national energy policy. The appropriate authorizing committees in both Senate and House are holding hearings on U.S. energy policy, and the Bush Administration intends to offer its proposals shortly. At times like these, policy-makers in the Administration and the Congress must have access to the most accurate analysis and forecasting possible. In the case of nuclear energy, the EIA's forecasts are inaccurate, appear to be based on hypothetical speculation, and at least to date do not proceed from well-informed analysis of the current status of nuclear energy in the United States.

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[1] The Nuclear Energy Institute (NEI) is the organization responsible for establishing nuclear industry policy on matters affecting the nuclear energy industry. NEI's members include all companies licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect-engineering firms, fuel fabrication facilities, materials licensees, and other organizations and individuals involved in the nuclear energy industry.

EIA'S FORECAST FOR NUCLEAR ENERGY

EIA's Office of Integrated Analysis and Forecasting publishes an annual forecast of U.S. energy supply and demand called the Annual Energy Outlook (AEO). AEO 2001 provides projections of energy supply and demand in all consuming sectors and for all fuels through 2020. AEO 2001 forecasts that U.S. nuclear generating capability in 2020 will be 71,600 megawatts (MW), a 25 percent reduction from today's 97,400 MW.

This EIA projection is achieved in three ways: EIA assumes that (1) some nuclear power plants will be closed before the end of their initial 40-year operating licenses because they are no longer economical to operate; (2) others will not renew their licenses for an additional 20 years because they are no longer economical to operate; and (3) no new nuclear power plants are built in the United States because they are too costly to compete with other forms of generation.

THE NUCLEAR ENERGY INDUSTRY ASSESSMENT

NEI believes that this outlook is incorrect and does not proceed from a factual understanding of the current status of nuclear energy in the United States.

U.S. nuclear power plants are well positioned for a competitive electricity market. The cost of operations, maintenance and fuel has been declining for more than a decade, and additional efficiencies can still be gained. U.S. nuclear power plants are not subject to the volatility in fuel prices that has caused the dramatic increase in electricity prices in many parts of the nation. And nuclear power plants are not affected by the escalating clean air compliance requirements that will increase the cost of electricity from coal-fired and gas-fired generating plants in the years ahead. In fact, non-emitting technology like nuclear energy will become even more essential for providing electricity in areas that aren't in compliance with Clean Air Act standards.

The steady reduction in the cost of nuclear electricity during the 1990s is partly explained by the significant increase in plant reliability, and in the amount of electricity plants produce. In 2000, U.S. nuclear plants produced approximately 755 billion kilowatt-hours (the second record year in a row), and operated at an average capacity factor of 89.6 percent, also a record.

On average, a U.S. nuclear power plant produces electricity for 2.0–2.5 cents per kilowatt-hour, with the cost decreasing over the past few years. This includes all costs such as fuel, operations, maintenance, ongoing capital requirements, property tax, federal and state taxes, funds for decommissioning the plant at the end of its useful life, and the one-mill-per-kilowatt-hour fee for used fuel management paid to the federal government. This is the so-called "going forward" cost; it does not include recovery of the original capital investment, but is the sole determinant of whether or not the unit will be dispatched.

The 2.0–2.5 cent electricity from the average nuclear unit is significantly lower than the cost of electricity from new gas-fired combined cycle power plants. At expected future gas prices to generating plants ($4–5 per million Btu), NEI's analysis indicates that a new gas-fired plant will produce electricity for between 4.5 cents and 5.2 cents per kilowatt-hour. Given that new gas-fired electricity is twice as costly as existing nuclear electricity, no rational economic model would shut down a nuclear unit and replace it with gas-fired capacity, as the EIA's forecasts suggest, unless that model were being supplied with incorrect economic data and assumptions. (Note: existing nuclear units are also more economical than gas-fired plants supplied with fuel at the low natural gas prices prevailing several years ago. A gas-fired plant using $2.50-per-million-Btu gas would produce electricity for 3.0–3.5 cents per kilowatt-hour, still above the 2.0–2.5 cents range for electricity from an existing nuclear unit.)

As for license renewal, five nuclear units have already renewed their operating licenses to run for 20 years beyond their initial 40-year license. Five other units have filed their renewal applications, which are now being reviewed by the Nuclear Regulatory Commission (NRC). Thirty-three other units have formally notified the NRC that they intend to renew their licenses, and NRC officials have indicated publicly that the agency has received informal notification that 85 of the 103 nuclear units in the United States intend to renew their licenses. The industry expects that nearly all 103 U.S. nuclear units will extend their licenses because operating these plants for an additional 20 years represents the lowest-cost, most reliable source of electricity available from any source.

THE DIFFERENCES BETWEEN THE EIA AND INDUSTRY ASSESSMENTS

Given the significant differences between the EIA's forecast for nuclear energy and the future suggested by today's business realities, NEI has analyzed the basis for the agency's forecasts in order to understand the assumptions and methodology behind them. NEI completed a detailed assessment of the 1999 edition of the Annual Energy Outlook, for example, and discovered a number of mistakes, suspect assumptions, and the use of cost and performance data that were several years out of date. NEI staff briefed EIA staff fully on the results of our assessment

In general terms, for the 103 existing nuclear units, the EIA obtains its forecasting results by assuming an "aging effect"-i.e., that the plants will cost more to operate as they age, and operate less reliably. The EIA forecast burdens the nuclear units with increasingly, and unrealistically, high operating and capital costs.

There is no factual basis for these assumptions. NEI has evaluated the historical data for the 103 nuclear units now operating, which include a number of units well into the second half of their original 40-year licenses. NEI sees: (1) no statistically significant evidence that operating costs increase as plants age (in fact, for the fleet as a whole, they are declining); (2) no evidence that capital costs will or can increase to levels so high that the plant becomes uneconomic; and (3) no evidence that capacity factors deteriorate as plants age (in fact, for the fleet as a whole, capacity factors are increasing).

Consider one specific example: the three unit Oconee station (2,538 MW) owned by Duke Power Co., which received approval from NRC last year to operate for an additional 20 years beyond the original 40-year license. From 1999 through 2006, Duke Power will invest close to $1 billion in the Oconee station—approximately $450 million in new steam generators for all three units, and another $400 million in one-time improvements and replacements designed (1) to assure another 20 years of operating life,(2) to maintain plant reliability during that period, and (3) reduce operating and maintenance costs in the future. Even with this significant investment, the Oconee station remains easily competitive with other sources of electricity, and significantly less costly than building new generating capacity of any kind. The Oconee case study is broadly representative of nuclear units across the nation.

THE OUTLOOK FOR NEW NUCLEAR UNITS

The 2001 Annual Energy Outlook assumes no new nuclear power plants will be built before 2020 in the United States. As with the EIA outlook for the existing nuclear units, the nuclear energy industry does not believe this forecast reflects what is really happening in the marketplace.

The NEMS (National Energy Modeling System) model reaches this conclusion because EIA analysts have assigned an unrealistically high, and unreasonably inflated, capital cost to new nuclear generating capacity. The EIA assumes new nuclear plants would have an overnight capital cost of $2,188 per kilowatt of capacity. The nuclear energy industry estimates an overnight capital cost of $1,450–1,500 per kilowatt for the AP–600 advanced light water reactor. Unlike the EIA estimate, which is purely theoretical and lacks any substantive factual basis, the industry estimate is a robust, well-founded cost estimate based on over $400 million invested in detailed design and testing for the AP–600 and other ALWR's. Although the industry is taking actions that will reduce the capital cost of new nuclear generating capacity further, the current cost estimates for the AP–600, other advanced light water reactors, and new high temperature gas reactors, coupled with the low cost for operating nuclear plants, will make new nuclear capacity competitive over the period from now through 2020 and beyond.

CONCLUSION

Given the potential importance attached to the Energy Information Administration's forecasts, NEI believes it is important that these forecasts have a sound factual and analytical basis. At a minimum, NEI urges that any additional appropriations for EIA's forecasting function should require (1) rigorous peer review of all EIA's nuclear-related assumptions and methodologies, and (2) peer-reviewed development of new economic models better able to simulate the dynamics of competitive electricity markets, the performance of existing nuclear power plants, and the timing for construction of new nuclear units.

PREPARED STATEMENT OF THE BUSINESS COUNCIL FOR SUSTAINABLE ENERGY

INTRODUCTION

The Business Council for Sustainable Energy is pleased to offer testimony on the role for government in promoting energy research, development and deployment, specifically natural gas and energy efficiency programs at the Department of Energy (DOE).

The Council was formed in 1992 by business and industry trade association executives sharing a commitment to realize our nation's economic, environmental and national security goals through the rapid deployment of clean and efficient natural gas, energy efficiency and renewable energy technologies. Our members range in size from Fortune 500 enterprises to small entrepreneurial companies, to national trade associations.

A FEDERAL ENERGY COMMITMENT IS CRITICAL

The recent election focused on an energy crisis like none other we have faced in recent memory. The President acknowledges that the energy situation is creating critical times for our nation. He outlined potential solutions in an address to a Joint Session of Congress, saying in part, "We can promote alternative energy sources and conservation, and we must."

Regarding the federal role in energy supply and use, we eagerly await implementation of the Administration's demonstrated commitment to fixing the problems, and a commitment by Congress to ensure that there is a diverse, environmentally and economically sound menu of energy options available to the market.

We continue to experience spiraling prices and supply interruptions in California for electricity and the problems may spread to other regions this summer. Environmental challenges of energy supply and use abound, and even energy's national security implications are coming to the forefront. These challenges will persist for years and will only be solved by the concerted efforts of industry, government and the public.

The federal government's energy programs are as diverse as the activities that consume energy. Given their breadth, the BCSE will not attempt to address all of DOE's natural gas and energy efficiency programs. Rather, we focus on several programs that the BCSE believes illustrate the value of the federal government's energy efforts.

DISTRIBUTED ENERGY RESOURCES AND FUEL CELLS

The BCSE supports comprehensive efforts to remove the differing, but in some cases shared, barriers to the deployment of distributed generation technologies. Rapid deployment of these technologies, including microturbines reciprocating natural gas engines and fuel cells, will make an important contribution toward alleviating rolling blackouts. Not only can they make more power available to consumers, they can also relieve stress on the grid by putting their power output where the loads are, easing the need to transmit electricity long distances along lines operating at full capacity.

Not only do distributed energy resources put the power where it is needed, they also provide enhanced energy efficiency. Modern gas turbines can achieve 35–45 percent efficiency when generating electricity, and in combined heat and power applications where normally wasted heat is recovered for space heating or industrial applications, overall efficiencies can rise to greater that 75 percent. Central station power plants average approximately 30 percent in overall efficiency.

Fuel cells continue to make advances. BCSE member Ballard Power Systems successfully field-tested natural gas PEM fuel cells in Chicago Transit Authority busses, with actual production units entering the market within the next few years. More fuel cell power plants of various power sizes will also be available to fill diverse power generation requirements. In fact, Ballard plans to introduce the first commercially available fuel cell generation system later this year.

Now under development are high-temperature natural gas fuel cell systems that may ultimately achieve a 60 percent fuel-to-electricity conversion efficiency. This is extremely favorable compared with the average of 35 percent fuel-to-electric efficiency for the mix of generating equipment currently used to supply the Nation's electricity.

A key to the successful commercialization of the PEM fuel cell vehicle will be the availability of a safe on-board hydrogen storage device. BCSE member Energy Conversion Devices has been developing metal hydride alloys to provide a safe solid-state means of on-board storage of hydrogen in PEM fuel cell vehicles. Given the importance of this component of the fuel cell system, we would urge greater funding

levels for metal hydride storage systems for PEM fuel cell vehicles. These devices would also be the safest means of storing hydrogen in hydrogen powered internal combustion engine or hybrid vehicles as well as for use in fuel cells for stationary applications and or portable power.

All of these technologies obtain more useful energy from a given unit of fuel, which provides tremendous environmental benefits. For example, microturbines can contribute to reducing emissions (NO_X and CO_2) associated with electric power generation. When fueled by natural gas from our domestic resource base, they emit NO_X at 9–40 ppm; an improvement over the existing U.S. generation fleet. Emissions reduction technologies such as catalytic combustion offer the potential of near zero emissions levels. To achieve these environmental, grid reliability, efficiency and cost-reduction goals, the BCSE specifically seeks $50 million for research, development and verification activities in the distributed energy resources program.

HEAT PUMPS, NATURAL GAS COOLING AND APPLIANCES

The BCSE supports programs for natural gas cooling technologies such as GAX heat pumps and desiccant dehumidification. While more research is needed, these technologies hold the potential to shift summertime energy demand off of the overstressed grid and onto either directly fired natural gas applications or to combined heat and power systems utilizing what is now wasted heat energy.

In both the desiccant and the natural gas cooling areas, an industry-DOE roadmapping has identified combinations of distributed energy resources with these technologies, (Buildings Combined Cooling Heat and Power, or BCHP), to further reduce energy cost and use and improve grid reliability. The BCSE supports an increase of $16 million in this area.

High-efficiency appliances continue to have an important impact. The recent publication of rules related to high-efficiency washers that were put together in cooperation with industry leaders such as Maytag will result in energy and monetary savings for consumers, and make energy resources go further.

ALTERNATIVE FUEL VEHICLES

Transportation remains the fastest growing energy consuming sector. Alternative fuel vehicles (AFVs)—including natural gas and electric vehicles—promise to reduce U.S. reliance on imported oil while virtually eliminating emissions of criteria air pollutants.

Natural Gas Vehicles

Natural gas vehicles hold the potential to move a significant demand for imported petroleum over to a far cleaner, more secure and abundant hemispheric resource.

The Clean Cities program is an important program that continues to develop. Increasing the use of gas-fueled vehicles in proven markets such as transit and school busses, delivery and other centrally fueled fleets is building experience as well as establishing critical infrastructure to foster further expansion. We request $30 million for this voluntary partnership.

Research and development also continues to be important and the Council requests an additional $8 million appropriation over the president's budget request.

Batteries

Advanced batteries are critical to the success of electric vehicles (EVs) and other alternative fueled vehicles. The technology continues to improve as the result of the industry-government cooperation, U.S. Advanced Battery Consortium. Vehicle range has far exceeded 200 miles in testing and costs continue to be reduced. Economies of scale created through verification projects promise even more cost reductions and a growing level of field experience.

Accordingly, the Council recommends that the battery R&D program be expanded to build upon the successful battery development program.

UTILITY PROGRAMS

DOE also works effectively with utilities and power authorities to promote energy efficiency. Through voluntary programs such as Climate Wise, DOE has obtained the commitment of utilities to reduce utility emissions of greenhouse gases. Generally, activities that reduce emissions also reduce energy use. Climate Wise participants—such as Council member Sacramento Municipal Utility District (SMUD)—have premised their programs on sound economic principles. California and soon other parts of the nation will recognize that efficiency is one critical tool for maintaining reliable electricity supplies.

STANDARDS AND INSULATION

DOE also has provided valuable technical assistance to the polyurethane foam insulation industry, helping the industry to find substitutes for some blowing agents used in insulation installation. The new polyisocyanurate insulation performs as efficiently as the prior product.

INFRASTRUCTURE AND OPERATIONS

The BCSE recognizes that the tremendous demand of the marketplace has added new stresses to our energy delivery systems. This budget provides modest sums for modeling and research on the electric grid, to identify changes being caused by deregulation to flows of power. It also recognizes that the growing use of natural gas will require adjustments to that infrastructure. DOE predicts that domestic natural gas use will increase by 47 percent by the year 2020. Such increased natural gas use would provide myriad benefits, but will also strain the existing delivery infrastructure. We request $18 million for the well-subscribed, cost-shared program.

FEDERAL ENERGY MANAGEMENT PROGRAM

The BCSE is very supportive of the Federal Energy Management Program (FEMP). The federal government is the single greatest consumer of energy in the nation and FEMP's public/private partnership program is working to save both energy and taxpayer dollars. In these times of supply constraint and rising prices, this program should be made more aggressive to include improving significant facilities at all federal agencies. Funding for FEMP should at a minimum be held level with current year appropriations.

CONCLUSION

The Council believes that the federal government's participation in cost-shared public/private partnerships that develop reliability-enhancing, cost-effective non- and low-polluting technologies is crucial during this time of energy stress. No single technology or fuel is a panacea, and making a wide breadth of technologies available to the marketplace will result in actual energy solutions.

PREPARED STATEMENT OF THE NATIONAL RESEARCH CENTER FOR COAL AND ENERGY, WEST VIRGINIA UNIVERSITY

Chairman Burns and Members of the Subcommittee: Thank you for the opportunity to testify regarding appropriations for the Fossil Energy and Energy Conservation programs of the Department of Energy.

FUELS AND POWER SYSTEMS R&D PROGRAM

We note that the Administration has requested a total of $159,801,000 for the Fuels and Power Systems R&D Program compared to the enacted level of $324,025,000 in fiscal year 2001. This low funding level will result in the drastic reduction, or in some cases, the elimination of important major programs. These budget cuts will seriously delay the R & D necessary to generate the new technologies needed to attain a healthful environment and a sound economy. We urge you to find additional funds to restore the Fuels and Power Systems appropriation to the fiscal year 2001 level. This action will enable us to meet our national goals for an abundant, affordable, and available supply of electric power and for a more environmentally friendly transportation sector which is less dependent on international oil supplies.

FUELS PROGRAM IN FOSSIL ENERGY

Liquid Fuels Research and C–1 Chemistry

The President's budget recommendation essentially eliminates funding for the Transportation Fuels & Chemicals and Advanced Fuels Research programs, the Early Entrance Co-Production Program which is integrated with the Vision 21 Energy Plants of the future, the Ultra Clean Fuels Program, and the Natural Gas to Liquids Program. These R&D programs must be funded vigorously if the Administration is to achieve its stated goals of reducing our imports of petroleum below the level of 50 percent anytime in the near future. We recommend that funding of $50 million be allocated in the overall budget for liquid fuels research and development.

In particular, we request that, of this amount, $2 million be included for the C–1 Chemistry Program. This program was supported by the Subcommittee at a level

of $1.4 million in fiscal year 2001 ($0.4 million from the FE Fuels Program and $1 million from the Office of Transportation Technology program). C–1 Chemistry research converts carbon-containing feed stocks such as natural gas, carbon dioxide, methanol, and synthesis gas produced from coal or natural gas into ultra clean, high efficiency transportation fuel, hydrogen, and chemicals. This effort not only supports the Fossil Energy program for developing alternative fuels, but also identifies fuels and fuel additives which will enable the Office of Transportation Technology to attain the Tier II goals for 2004 established by EPA.

Solid Fuels and Feedstocks Program

We recommend that the Solid Fuels and Feedstocks Program be funded at a level of $10 million for fiscal year 2002. With the projected increased use of coal to meet our energy demands, new technologies are needed to minimize the environmental impacts associated with producing coal. Of the $10 million in funding recommended, we request $3 million to continue the advanced separations research in solid-solid and solid-liquid separations initiated in fiscal year 2001 in cooperation with the National Mining Association and the Center for Advanced Separations Technology. This program is focused on new ways to economically recover and utilize coal fines and other minerals discarded during production. The advanced research supported by this program will make significant contributions to avoid environmental disasters such as the October 11, 2000 failure of a fine coal impoundment in northeastern Kentucky which resulted in an estimated half billion dollars damage to the streams and rivers in Kentucky and West Virginia.

Coal Extraction Program

We request that the Subcommittee continue funding for the WVU Coal Extraction Program under the Advanced Fuels Research subelement at a level of $1.7 million, which the Subcommittee also provided for fiscal year 2001. The WVU program focuses on developing an alternative coal-based source for a dwindling supply of petroleum-based binders and pitches. These materials are used to produce high-value carbon products such as anodes for aluminum smelting, foams and fibers for strong lightweight materials for structural and transportation applications, and innovative materials from carbon micro beads and carbon wool.

ADVANCED RESEARCH IN FOSSIL ENERGY

In fiscal year 2001, the Subcommittee established a Technology Crosscut Program called Focus Area for Computational Energy Science. This focus area is a key element in enabling NETL to meet the expectations placed on it to rise in excellence to the level of its peers as a newly-established national laboratory. High speed computer connectivity and an appropriate complement of programs and users are necessary to achieve these goals. This program enables the National Energy Technology Laboratory [NETL] to form consortium relationships with regional academic institutions to conduct advanced research in combustion modeling, dynamic simulation, and power plant design. We recommend that this program be continued at the fiscal year 2001 level of $7 million.

We further recommend an enhancement of the Advanced Research Program by $10 million over the Administration's request. We are concerned that insufficient funds are available to provide research support for graduate studies in coal-related technologies. It is necessary to maintain a quality academic faculty and sufficient graduate study opportunities to retain our national coal research expertise. We recommend that a coal center of excellence be established from a portion ($3 million) of this increased funding which would support the major coal research universities to conduct fundamental programs which ensure a supply of coal technology experts well into the future. As noted in our testimony last year, the university coal research program has been severely restricted in its scope due to the effects of inflation on a flat funding profile extending back to the 1980s. Increased funding is needed to keep up with inflation.

NATURAL GAS TECHNOLOGIES

At a time when our nation is looking to natural gas to supply a wide range of power generation, transportation, chemicals production, and home heating markets, the fiscal year 2002 budget proposed by the Administration is drastically lower than fiscal year 2001. We recommend that the funding for Natural Gas Technologies be increased by $25 million over the President's request. In particular, we recommend that the Coal Mine Methane program initiated under the Emerging Processing Technology subelement be continued at a level of $4.5 million in fiscal year 2002. Currently, coal mine methane sources provide around 7 percent of the natural gas supply and are estimated at about 7 percent of our nations reserves of 1,200 TCF

of natural gas. The technology transfer programs carried out under the Petroleum Technology Transfer Council [PTTC] should be continued at the fiscal year 2001 level.

OIL TECHNOLOGY

We have similar concerns about the drastic reductions in oil research proposed for fiscal year 2002. This program has been cut by approximately $36 million. We recommend that the Subcommittee increase the level of support for this program to approach the fiscal year 2001 appropriations. Particular emphasis should be placed on maintaining and increasing the level of funding to the PTTC technology transfer activities referenced under the Natural Gas Technologies Program above.

PROGRAM DIRECTION

We note with dismay that the funding allocations for program direction will result in the loss of about 30 positions in Fossil Energy Headquarters staff and about 58 positions in field positions at NETL. We are further concerned that the reduction in research support will cause the loss of additional in-house researchers. NETL must maintain its staffing if it is to attain the level of excellence required of national laboratories. A robust research program at NETL will also have spin-offs to regional universities which can join with NETL in cooperative research programs, thereby providing additional staff expertise and cost sharing. We recommend funding of the Program Direction line to levels at least equal to the fiscal year 2001 appropriation.

OFFICE OF TRANSPORTATION TECHNOLOGY

The Office of Heavy Vehicle Technology [OHVT] in the Office of Transportation Technology [OTT] undertakes research and development programs which address engine performance, vehicle emissions, fuel efficiency, and materials. In fiscal year 2001, the Subcommittee provided approximately $76.1 million to support these components of the OTT overall program. The Administration has requested $75.2 million for fiscal year 2002 for a comparable program. The OHVT program accomplishments will include worthy objectives such as increasing the fuel efficiency of heavy vehicles, reducing emissions to meet Tier II standards to be placed into effect in 2004, and increasing safety. We recommend that the Subcommittee fully fund the Administration request for these programs.

OFFICE OF INDUSTRIAL TECHNOLOGY

The Industries of the Future [IOF] program has enabled West Virginia industries to increase energy efficiency in production while reducing harmful environmental emissions. We believe this program is of major importance in helping our state industries maintain a competitive edge while meeting our national needs for improved environmental performance. The Administration has recommended reduction of the IOF and the IOF Crosscutting Industries programs by 36 percent and 48 percent, respectively. Such deep cuts effectively eliminate the start of new projects in fiscal year 2002 and in many cases do not even provide enough funding to meet mortgages from previous years. We recommend restoration of the Steel, Aluminum, Metal Casting, Glass, Chemicals and Mining IOF programs to their comparable fiscal year 2001 level.

We are strong in our support of the Cooperative Programs with States and recommend that this program, which has been recommended for zero funding by the Administration, be restored to the fiscal year 2001 level of $2 million. West Virginia relies on this program to enable our industries and researchers develop quality programs to improve major sectors of our economic base.

CLOSING COMMENTS

We believe that long range research is essential to maintaining our technological edge in energy and the environment. Therefore, we strongly recommend that additional funds be identified to adequately support the programs identified above. If we do not continue to support basic research in the short run, then we will have no new technologies to demonstrate in the long run. We realize the difficult budget situation which the Subcommittee must address and appreciate your willingness to tackle the funding shortfall. Thank you for considering our testimony.

PREPARED STATEMENT OF THE AMERICAN PUBLIC POWER ASSOCIATION

The American Public Power Association (APPA) is the service organization representing the interests of over 2,000 municipal and other state and locally owned utilities throughout the U.S. Collectively, public power utilities deliver electric energy to one of seven electric consumers (about 45 million people) serving some of our nation's largest cities. The majority of APPA's member systems are located in small and medium-sized communities in every state except Hawaii. We appreciate the opportunity to submit this statement concerning fiscal year 2002 appropriations. The focus of our testimony will be on U.S. Department of Energy (DOE) programs within this Subcommittee's jurisdiction.

DOE ENERGY EFFICIENCY PROGRAMS

APPA is disappointed in the Administration's level of support for DOE energy efficiency programs in its funding request for fiscal year 2002. We ask that this Subcommittee ensure these important programs continue to be among the options available to our nation's electric utilities as they strive to meet the increased competitive and environmental demands placed on them by the marketplace and society. While we realize the budget constraints you face, we ask for favorable action in this area. DOE's energy efficiency programs received funding of $717 million in fiscal year 1995. Appropriations were cut 25 percent in fiscal year 1996 and were increased by nearly 9 percent in fiscal year 1998. Between 1998 and 2001, appropriations rose significantly. The Administration's proposal to decrease funding in fiscal year 2002 to approximately $795 million, $20 million below the fiscal year 2001 enacted level of $817 million, is bad policy as we encourage conservation. An increase in expenditures is warranted because energy efficiency is becoming even more important in the context of changes occurring as a result of electric utility industry restructuring. Due to these changes, many utilities already have downsized or terminated some energy efficiency programs in order to reduce costs. Yet these programs can be very helpful in maximizing the overall progress made toward achieving a competitive, high-growth economy for our nation while maintaining the kind of environmental quality we all desire for the future.

Partnership for a New Generation Vehicle.—We urge the Subcommittee to restore funding for DOE's PNGV program to the fiscal year 2001 level of $140.4 million. The Administration's request of $100.4 million in fiscal year 2002 is insufficient given the need to invest in new generation vehicles. It is important that these advanced technologies be available for application to both mobile and stationary sources. The availability of fuel cell technology for transportation is critical for cities and states that must achieve mandated federal air quality standards. The fuel cell vehicle is virtually pollution free and highly efficient. Even a 10 percent market penetration could reduce regulated air pollutants by more than one million tons a year and emissions of carbon dioxide by 60 million tons a year. (This would fulfill the U.S. commitment to bring its CO_2 emissions back to 1990 levels.) It also would save 800,000 barrels of oil a day. One of APPA's members, the Sacramento Municipal Utilities District (SMUD), has done extensive research in this field because of the outstanding environmental and energy efficiency attributes of the technology.

Community and Building Technologies.—APPA supports the Administration's request of $367.1 million in fiscal year 2002 for the energy partnership programs and welcomes the dramatic increase in weatherization funding, up nearly $120 million. Among the partnership programs, Rebuild America, designed to accelerate energy efficiency improvements in existing commercial and multi-family buildings, contributes greatly to our environment. APPA believes however, that the Administration's reduction of funding from $10.9 million in fiscal year 2001 to $5.9 million in fiscal year 2002 is bad policy. Other programs like DOE's Energy Partnerships for Affordable Homes Program, a collaboration of public and non-public groups working to make public and private housing more energy efficient and affordable make valuable contributions to America's communities. DOE can play a facilitating role in helping bring new technologies and standards to market. Examples of valuable DOE efforts in this regard include the Technology Introduction Partnerships (TIPS) program and Motor Challenge. TIPS, in particular, has been an important one for APPA member systems. Motor Challenge is a voluntary partnership between DOE and industry designed to promote adoption of motors and motor-driven equipment that increase energy efficiency, enhance productivity and improve environmental quality. This year, it is anticipated that Motor Challenge will generate energy cost savings of $1.2 billion and electricity savings of 25 billion kWh.

Building Codes and Standards.—EP Act also requires each state to certify that it has reviewed its residential and commercial building codes to determine whether they meet energy efficiency targets. DOE is providing important technical assistance

to encourage states to adopt such codes. We believe the Administration's request of $56 million in fiscal year 2002 is insufficient to ensure that this program is effective. APPA urges this Subcommittee to provide level funding of $104.6 million in fiscal year 2002 to continue this program.

Municipal and Community Energy Management.—This program, within the Office of Building Technology, provides funding to municipalities for conducting a variety of projects that address energy-related areas of greatest concern to local governments. APPA recommends this program, operated by the Urban Consortium Energy Task Force (UCETF), receive adequate funding to fulfill its mission. UCETF is a program of Public Technology, Inc. (PTI), the non-profit technology organization of the National League of Cities, the National Association of Counties and the International City/County Management Association. Currently 22 jurisdictions, including some public power communities, are represented on UCETF: Albuquerque, NM; Austin, TX; Chicago, IL; Columbus, OH; Dade County, FL; Denver, CO; Greensboro, NC; Hennepin County, MN; Kansas City, MO; Long Beach, CA; Memphis, TN; Monroe County, NY; Montgomery County, MD; Orange County, FL; Philadelphia, PA; Phoenix, AZ; Portland, OR; San Diego, CA; San Francisco, CA; San Jose, CA; Seattle, WA, and Washington, D.C.

Weatherization Assistance Program.—APPA applauds the dramatic increase of more than $120 over the fiscal year 2001 appropriations. APPA supports the Administration's budget request of $273 million for weatherization assistance, especially important to the working poor, elderly and disabled. The program helps more than 100,000 residents annually. Weatherization programs have the additional benefit of stimulating economic growth by increasing disposable income and creating jobs in the service sector. The DOE Weatherization Assistance Program has been especially effective at helping low income citizens afford their energy bills and at the same time reduce their energy usage. The funding increases requested for fiscal year 2002 should be provided to this valuable program to help alleviate the multi-year backlog of weatherization work requested locally.

State Energy Conservation Program.—State energy offices work on nearly every energy efficiency issue. They encourage technology development, renewable energy, alternative fuels, energy emergency preparedness, energy facility siting, recycling, transportation efficiency programs, energy conservation and economic development, among other activities. State energy offices have been extremely successful in identifying the needs of local communities, businesses and consumers, and funding appropriate efforts to effectively transfer technology to constituents. With increased devolution of responsibilities to the states, this program offers the ideal combination of state-level implementation on a flexible basis with federal support. We ask that this Subcommittee favorably consider the Administration's request of $38 million for the State Energy Conservation Program. The program suffered a 50 percent cut in fiscal year 1996. The spending level requested for fiscal year 2002 represents level funding when compared to the fiscal year 2001 enacted level.

DOE FOSSIL ENERGY RESEARCH AND DEVELOPMENT PROGRAMS

Fuel Cells.—Fuel cells have captured the interest of government and industry alike. Their modularity, high efficiency and negligible emissions of smog and acid rain precursors make fuel cells an important growth area deserving national priority. A consortium, including APPA member systems, along with the National Rural Electric Cooperative Association (NRECA), the Electric Power Research Institute (EPRI) and DOE, is co-sponsoring carbonate fuel cell research, testing and the first utility-scale demonstration of a carbonate fuel cell power plant. The direct fuel cell program consists of two major efforts—the Santa Clara Demonstration Project and the ongoing Product Design Improvement (PDI) cost-shared initiative.

The first demonstration of an U.S.-developed fuel cell power plant operations in Santa Clara, CA. This 2-MW fuel cell unit has achieved a 44 percent efficiency level, a record for a fossil fueled power plant of this size, has recorded emissions below conventional detection limits and is providing valuable information on fuel cell power plant operations. APPA member systems participating in the consortium include the City of Santa Clara, Los Angeles Department of Water & Power, Sacramento Municipal Utility District, the City of Vernon, CA, the Salt River Project and Northern California Power Agency. The final phase of the development effort, the design and fielding of a pre-commercial unit has now begun. The 21 members of the Fuel Cell Commercialization Group (FCCG) support performance and cost targets for this final phase. In addition to those named as supporters of the Santa Clara project, APPA member systems comprising FCCG include Alabama Municipal Electric Authority, City of Anaheim (CA) Public Utilities Department, Florida Municipal Power Agency, City of Manassas (VA) Electric Department, City of Tallahas-

see (FL) Electric Department and Wisconsin Public Service Corporation. The Administration is requesting $449 million in fiscal year 2002 to support all fossil energy research and development. We urge Congress to fully fund this program so that progress can continue toward full commercialization.

Power Technologies.—APPA strongly supports the Distributed Energy Resources program, which aims to develop technologies, and systems that will move energy supplies closer to the point of use. This provides the opportunity for more efficient use of waste heat to boost efficiency and lower emissions, and reduces the strain on congested transmission systems. The fiscal year 2002 budget focuses on the development of advanced distributed generation and thermally activated R&D programs to raise efficiency and performance while lowering coasts and emissions.

Clean Coal Power Initiative.—APPA strongly urges the Subcommittee to support the Administration's request of $150 million in fiscal year 2002 to fund joint government/industry-funded research, development and demonstration of new technologies to enhance the reliability and environmental performance of coal-fired power generators. The CCPI will also develop the technological foundation for the next generation of even cleaner, more efficient technologies for both new power plants and for modernizing older ones.

PREPARED STATEMENT OF THE STATE TEACHERS' RETIREMENT SYSTEM, STATE OF CALIFORNIA

SUMMARY

Acting pursuant to Congressional mandate, and in order to maximize the revenues for the Federal taxpayer from the sale of the Elk Hills Naval Petroleum Reserve by removing the cloud of the State of California's claims, the Federal Government reached a settlement with the State in advance of the sale. The State waived its rights to the Reserve in exchange for fair compensation in installments stretched out over an extended period of time.

Following the settlement, the sale of the Elk Hills Reserve went forward without the cloud of the State's claims and produced a winning bid of $3.65 billion, far beyond most expectations. Under the settlement between the Federal Government and the State, the State is to receive compensation for its claims in annual installments over 7 years without interest. Each annual installment of compensation is subject to a Congressional appropriation. In each of the past 3 fiscal years (fiscal years 1999–2001), Congress has appropriated the funds necessary to pay the $36 million installment of compensation due for that year.

Congress should appropriate for fiscal year 2002 the $36 million to fulfill the Federal Government's obligation to make the fourth annual installment payment of compensation, due in fiscal year 2002 under the settlement that Congress directed the Administration to achieve.

For the fourth year in a row, the entire 52 Member California House delegation has strongly supported by delegation letter the Elk Hills appropriation.

BACKGROUND

Upon admission to the Union, States beginning with Ohio and those westward were granted by Congress certain sections of public land located within the State's borders. This was done to compensate these States having large amounts of public lands within their borders for revenues lost from the inability to tax public lands as well as to support public education. Two of the tracts of State school lands granted by Congress to California at the time of its admission to the Union were located in what later became the Elk Hills Naval Petroleum Reserve.

The State of California applies the revenues from its State school lands to assist retired teachers whose pensions have been most seriously eroded by inflation. California teachers are ineligible for Social Security and often must rely on this State pension as the principal source of retirement income. Typically the retirees receiving these State school lands revenues are single women more than 75 years old whose relatively modest pensions have lost as much as half or more of their original value to inflation.

CONGRESSIONAL DIRECTION TO SETTLE THE STATE'S CLAIMS

In the National Defense Authorization Act for fiscal year 1996 (Public Law 104–106) that mandated the sale of the Elk Hills Reserve to private industry, Congress reserved 9 percent of the net sales proceeds in an escrow fund to provide compensation to California for its claims to the State school lands located in the Reserve.

In addition, in the Act Congress directed the Secretary of Energy on behalf of the Federal Government to "offer to settle all claims of the State of California . . . in order to provide proper compensation for the State's claims." (Public Law 104–106, § 3415). The Secretary was required by Congress to "base the amount of the offered settlement payment from the contingent fund on the fair value for the State's claims, including the mineral estate, not to exceed the amount reserved in the contingent fund." (Id.)

SETTLEMENT REACHED THAT IS FAIR TO BOTH SIDES

Over the course of the year that followed enactment of the Defense Authorization Act mandating the sale of Elk Hills, the Federal Government and the State engaged in vigorous and extended negotiations over a possible settlement. Finally, on October 10, 1996 a settlement was reached, and a written Settlement Agreement was entered into between the United States and the State, signed by the Secretary of Energy and the Governor of California.

The Settlement Agreement is fair to both sides, providing proper compensation to the State and its teachers for their State school lands and enabling the Federal Government to maximize the sales revenues realized for the Federal taxpayer by removing the threat of the State's claims in advance of the sale.

FEDERAL REVENUES MAXIMIZED BY REMOVING CLOUD OF STATE'S CLAIM IN ADVANCE OF THE SALE

The State entered into a binding waiver of rights against the purchaser in advance of the bidding for Elk Hills by private purchasers, thereby removing the cloud over title being offered to the purchaser, prohibiting the State from enjoining or otherwise interfering with the sale, and removing the purchaser's exposure to treble damages for conversion under State law. In addition, the State waived equitable claims to revenues from production for periods prior to the sale.

The Reserve thereafter was sold for a winning bid of $3.65 billion in cash, a sales price that substantially exceeded earlier estimates.

PROPER COMPENSATION FOR THE STATE'S CLAIMS AS CONGRESS DIRECTED

In exchange for the State's waiver of rights to Elk Hills to permit the sale to proceed, the Settlement Agreement provides the State and its teachers with proper compensation for the fair value of the State's claims, as Congress had directed in the Defense Authorization Act.

While the Federal Government received the Elk Hills sales proceeds in a cash lump sum at closing of the sale in February, 1998, the State agreed to accept compensation in installments stretched out over an extended period of 7 years without interest. This represented a substantial concession by the State. Congress had reserved 9 percent of sales proceeds for compensating the State. The State school lands' share had been estimated by the Federal Government to constitute 8.2 to 9.2 percent of the total value of the Reserve. By comparison, the present value of the stretched out compensation payments to the State has been determined by the Federal Government to represent only 6.4 percent of the sales proceeds, since the State agreed to defer receipt of the compensation over a 7-year period and will receive no interest on the deferred payments.

Accordingly, under the Settlement Agreement the Federal Government is obligated to pay to the State as compensation, subject to an appropriation, annual installments of $36 million in each of the first 5 years (fiscal year 1999–2003) and the balance of the amount due split evenly between years 6 and 7 (fiscal year 2004–2005).

THE MONEY IS THERE TO PAY THE STATE

The funds necessary to compensate the State have been collected from the sales proceeds remitted by the private purchaser of Elk Hills and are now being held in the Elk Hills School Lands Fund for the express purpose of compensating the State. (The balance in the Elk Hills School Lands fund has been reduced by an approximately $26 million "hold-back" from the State's share pending the final equity determination of the Federal Government's share of the Elk Hills field vis-à-vis its co-owner prior to the sale, Chevron. This escrow will be released once the final equity shares are determined.)

THE PRESIDENT'S BUDGET FOR FISCAL YEAR 2002 REQUESTS THE NECESSARY APPROPRIATION FOR THE FOURTH ANNUAL INSTALLMENT OF ELK HILLS COMPENSATION DUE UNDER THE SETTLEMENT AGREEMENT

The President's Budget for fiscal year 2002 requests that Congress appropriate $36 million from the sales proceeds being held in escrow in the Elk Hills School Lands Fund to pay the fourth annual installment of Elk Hills compensation due to the California State Teachers' Retirement System. See Budget of the United States Government—Fiscal Year 2002, Appendix, at pp.416–417.

CONGRESS SHOULD APPROPRIATE THE FUNDS DUE UNDER THE SETTLEMENT THAT CONGRESS DIRECTED THE FEDERAL GOVERNMENT TO ACHIEVE

Congress should appropriate for fiscal year 2002 the $36 million requested by the President to fulfill the Federal Government's obligation to make the fourth annual installment payment of compensation due in fiscal year 2002 under the settlement that Congress directed the Federal Government to achieve.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

PRPARED STATEMENT OF THE NATIONAL AMERICAN INDIAN HOUSING COUNCIL AND COALITION FOR INDIAN HOUSING AND DEVELOPMENT

On behalf of the members and Board of Directors of the National American Indian Housing Council and the Coalition for Indian Housing and Development, I would like to thank Chairman Burns, Ranking Member Byrd, and other distinguished members of the Subcommittee for the opportunity to submit public witness testimony today. I write in support of increased funding to a total of $280 million for water and sewer infrastructure within Sanitation Facilities Construction of the Indian Health Services and Facilities, Department of Health and Human Services.

FEDERAL HOUSING AID IN INDIAN COUNTRY

As Chairman of the National American Indian Housing Council and the Coalition for Indian Housing and Development and Executive Director of the Navajo Housing Authority, I testify today as a voice for Americans who daily endure the most deplorable housing conditions in the country. These are people within American borders who commonly live 15 to 20 people in one small house. These are people for whom proper sewage facilities, roads, and indoor plumbing is often a luxury, rather than a standard. These are people who, like many other Americans, dream of owning their own homes.

Indian housing is at a crucial stage. The passage of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) has given tribes and Tribally Designated Housing Entities (TDHEs) incredible new opportunities, and with continued funding, NAHASDA can be the most important tool in building sustainable, healthy communities in Indian Country. Although tribes and TDHEs are able to utilize a number of housing programs within the Departments of HUD, Interior, and USDA, NAHASDA continues to be the basic and most pervasive program for Indian housing.

Native Americans across the country continue to rely heavily on federal subsidy in place of other methods of finance that much of the American population take for granted. The lack of significant private investment and the dire conditions faced in many communities simply mean that federal dollars make up a larger portion of the total housing resources than in other areas. Common sources of construction and development financing simply do not exist on our nation's Indian reservations.

INFRASTRUCTURE NEEDS THREATEN "HOUSING RENAISSANCE"

Under NAHASDA, Indian Country has seen a much-needed "housing renaissance." A previously neglected population is now utilizing the principles of self-determination on which NAHASDA is based, creating self-sustaining communities that will eventually require less and less federal aid. Tribes have experienced great success over the last several years in increasing their ability to attract additional housing resources to their tribes. Unfortunately, the housing renaissance will come to an end unless currently inadequate funding for infrastructure development increases proportionately with housing funds. The following statistics help to illustrate the problem tribes face:

—1 of every 5 homes on Indian reservations lacks complete in-house plumbing—a rate 20 times the national average.
—Less than 50 percent of homes on Indian reservations are connected to a public sewer.
—About 1 in 5 American Indian reservation households dispose of sewage by means other than public sewer, septic tank or cesspool.

Those administering housing programs in Indian Country understand that their work must encompass so much more than basic housing construction. In the rural, and often remote, locations of many tribal communities, it cannot be assumed that support infrastructure is present or even available. Hauling water in barrels and pots by truck or on foot is a daily reality for many tribal members on the Navajo Nation Reservation where I live and work. The story is the same for many other tribes. Even where water facilities are present, they are often stretched beyond capacity and have fallen into disrepair.

A crisis has been reached in Indian Country that has two serious effects. First, there are currently housing plans for thousands of new units of housing that cannot move forward without infrastructure development. There are also thousands of existing housing units that lack basic water/sewer infrastructure. Second, lack of proper sewage treatment and swiftly deteriorating or non-existent water systems daily increase health risks for tribal members.

I ask the members of the Subcommittee today to consider increasing funding for Sanitation Facilities Construction at IHS to at least the level requested in order to combat these two urgent needs in Indian Country.

CURRENT FUNDING

President Bush has requested $650 million for the NAHASDA block grant for fiscal year 2002. This is the same amount as was appropriated for fiscal year 2001. Although NAHASDA funding has seen an increase of 34 percent since the Act was passed in 1996, $650 million a year will bring us nowhere near the levels tribes need to meet their members' housing needs, much less provide for basic water and sewer infrastructure.

HUD no longer designates funds specifically for infrastructure, so tribes much choose whether to use their limited NAHASDA fund distribution to build homes to relieve overcrowded conditions, or to use their funds for infrastructure. Furthermore, limitations have been placed on the ability of IHS to serve HUD-funded homes, compounded by the sharp increase in the number of new homes being constructed.

In the Indian Health Care Improvement Act Amendments (Public Law 94–437), Congress states that, "it is in the interest of the United States, and it is the policy of the United States, that all Indian communities and Indian homes, new and existing, be provided with safe and adequate water supply systems and sanitary sewage waste disposal systems as soon as possible", and that the Indian Health Service has the primary responsibility and authority to provide these necessary sanitation facilities and services to Indian homes and communities.

Funding for Sanitation Facilities Construction for IHS was appropriated at $93.6 million for fiscal year 2001 and the President has asked for roughly the same amount in his fiscal year 2002 budget. About half this amount will serve existing homes, and half is for new homes. Before NAHASDA, there were only around 2,000 homes being built per year. Twenty million dollars was enough to serve those new homes with adequate sanitation facilities. Since 1996, however, 20,000 new homes have been built or are under development with no significant increase in infrastructure funding. Although tribal leaders estimate that the infrastructure backlog in Indian Country would currently require several billion dollars, NAIHC requests an increase of at least $180 million per year above the existing amount for tribes to couple with NAHASDA funds for housing development and improvement. This increase is vital for meeting current demand and does not consider the likely growth of the program over the next ten years.

NAIHC feels IHS is the proper authority in Federal trust assignments under the Snyder Act of 1929 to provide these health and sanitation funds. It is not proper that HUD funds be used to pay for infrastructure, especially for scattered sites. Responsibility for these services should not be required of funds that must be spent on desperately needed housing in Indian Country.

CONCLUSION

In closing, I would again like to thank all the members of this subcommittee, in particular Chairman Burns and Ranking Member Byrd, for their continuing support for Indian programs and the tribes. NAIHC and CIHD look forward to working with

each of you in this session of Congress and I am happy to answer any questions you may have.

PREPARED STATEMENT OF THE ALASKA NATIVE HEALTH BOARD

The Alaska Native Health Board (ANHB) submits this statement on the fiscal year 2002 Indian Health Service budget. We may file additional comments once we have seen the details of the President's proposed IHS budget. We also bring to your attention that our (calendar year) 2001 Federal Priorities paper addresses issues beyond what we can include within the four-page limitation of this statement. In summary, our fiscal year 2002 IHS budget recommendations are:

—Health facilities and associated housing construction at St. Paul ($14 million), Metlakatla ($17 million), and Arctic Slope Native Association in Barrow ($8 million). All have received planning and design funding.
—Community Health Aide Practitioner increase of $9.9 million.
—Dental health services increase and continued emphasis on bringing more dentists into the IHS loan repayment program.
—Contract Health Care funding which will reduce the deferred cases.
—Full funding for contract support.
—Inflation funding of at least $60 million.

Phase-In a Needs-Based Budget.—We ask Congress to seriously consider the IHS needs-based budget developed last year by tribes, urban Indian organizations, and IHS and which was submitted to DHHS in June, 2000. IHS estimates that the per capita health expenditure for persons in the IHS service population is only $1,351 compared to a $3,766 per capita expenditure for the general population.

The needs-based budget calls for an IHS appropriation of $18 billion—phased in over ten years—and is comprised of:

—$2.5 billion (fiscal year 2001 appropriation plus inflation)
—$508 million to maintain current services
—$6.3 billion for program expansions in specific health areas of greatest need
—$3.5 billion for facility backlog
—$5.2 billion for nonrecurring facilities costs

Facilities at St. Paul, Metlakatla, and Barrow.—St. Paul, Metlakatla Indian Community, and Arctic Slope Native Association health centers and associated staff quarters are next on the IHS priority list to receive funding. All have obtained planning and design funding. These are communities who are the sole source providers of health care for Native and non-Native populations.

—*St. Paul Health Center ($14.29 million)*.—The Pribilof Island of St. Paul is the northern most island in the Aleutian chain. It is located in the Bering Sea, 800 miles from Anchorage, and is arguably one of the most isolated communities in the nation. The current health facility at St. Paul was built in 1929—the oldest facility in the IHS system. In 1970, a small addition was added by IHS.

The present clinic has many documented physical and environmental deficiencies and is much too small to adequately serve the Native and non-Native population. While the clinic serves the approximately 900 permanent residents of St. Paul Island, it also is the sole source provider of health services to 3,000 fishermen during fishing and crabbing seasons. The health clinic is not handicapped-accessible, and hallways and doors are very narrow. There are only two examination rooms. Due to lack of examination space, treatment of patients must also be provided in hallways and in the x-ray room. There is little privacy for patients, and patient confidentiality is difficult.

The clinic services a Native population which has the highest rates of diabetes and cardio-vascular disease in Alaska. Deaths from suicides and accidents among St. Paul Native residents are several times the national average.

—*Metlakatla Indian Community Health Center ($17 million)*.—The Metlakatla Indian Community has been pursuing funds for many years for the replacement of its health facility. At present, clinic services are housed in four modular units which were built in the 1970's. The facilities are set on pilings and are connected by open, elevated, wooden walkways. Over time the buildings have settled unevenly, posing an unsafe environment for people seeking health services (18,000+ visits per year). The building continues to re-settle, particularly when freezing and thawing occurs, resulting in cracked walls and other damage. There is an ongoing, and losing, effort to do emergency repairs. Additionally, the facilities are overcrowded and the utility systems inadequate to support the modernization or updating of medical equipment.

The Metlakatla Health Center is the sole source of health care as there are no private providers on the Island. Inpatient or hospital services must be ob-

tained off-island through Ketchikan General Hospital, Southeast Alaska Regional Health Corporation/Mt. Edgcumbe Hospital in Sitka, or the Alaska Native Medical Center in Anchorage. In winter months, travel between Metlakatla and Ketchikan and other destinations is often cut off by heavy winds and storms.

—*Arctic Slope Native Association (ASNA) ($8 million)*.—We request fiscal year 2002 funding for the Planning and Site Acquisition phase of this hospital replacement project. Efforts have been underway for over ten years to replace the aging and inadequate physical plant of the Samuel Simmonds Memorial Hospital (SSMH). in Barrow. This critical facility is the only hospital available to residents of an area larger than the State of Washington. The single story wood frame building was constructed in 1965 and most of the major systems in the building are the original equipment. It was designed to meet the requirements of a much smaller population and now provides less than 25 percent of the space needed to provide appropriate medical care for the current population.

The IHS approved the Project Justification Document and a draft Program of Requirements for this project in 1998. The Barrow project would cost $98 million when complete and is currently the fourth priority for inpatient facility construction on the IHS priority list. The third construction project does not have an approved Project Justification Document but has been inserted in the list ahead of SSMH.

The IHS Planned Construction Budget does not request any funds for the project until fiscal year 2003. The $125,000 provided by the Denali Commission to complete the planning phase could move the IHS funding ahead of this schedule.

The normal IHS project funding process needs to be allowed to work. Funding for the Planning and Site Acquisition phase should be included in the fiscal year 2002 IHS budget. Engineering Services based its project cost estimate on initial funding in fiscal year 2002 and yet IHS Planned Construction Budget for fiscal year 2002 does not include any funding for SSMH. Instead, funds are budgeted for the third facility, despite the fact that IHS required justification for the project has not been completed. The delays in finalizing planning for the third construction project should not be allowed to result in delays for funding SSMH. Congressional oversight to ensure that IHS follows its own procedures will permit the funding of the SSMH project.

Community Health Aide/Practitioner Program (CHA/P).—We request a $9.9 million increase for the CHA/P program for a total of $45 million. CHA/P provides emergency and primary health care for 50,000 Alaska Natives of $900 annually per patient. A detailed plan has been worked out regarding how such an increase would be used. The funding would be utilized as follows: $6.1 million to increase by 125 the number of CHA/P positions (for a total of 625); $2.3 million to increase the number of Field Supervisors (Community Health Practitioners RNs, Midlevel Practitioners); $1.2 million to increase statewide CHA/P training capacity; and $300,000 for ongoing updates of materials which are specific to the CHA/P Program (medical manuals, curriculum and standards).

Contract Health Care.—We appreciate the $40 million increase in fiscal year 2001 for Contract Health Care (total of $447 million), and ask that Congress continue to help address through increased appropriations the annual unmet need in this area. The need in Alaska and elsewhere exceeds by far the available contract health services budget. In Alaska alone, there were 9,416 deferred health services in fiscal year 1999 due to inadequate IHS contract health care funding. Nationally IHS deferred payment on 84,000 recommend contract health care cases in fiscal year 1999.

The housing needs of patients, escorts, and family members who must travel away from home for medical care services are uniquely pressing in Alaska, where services are frequently sought hundreds of miles away in areas where hotels and other public lodging may be scarce or prohibitively expensive. In Anchorage, this need is partially met through the availability of Quyana house, a patient hostel connected to the Alaska Native Medical Center. Quyana House has 50 rooms and 108 beds and is almost always filled to capacity. Patients must seek off-campus housing in hotels or with family and friends. In the long term we hope that funding, possibly through HUD, can be obtained to build more housing on the ANMC campus, but in the interim we need additional funds through Contract Health Services to assist in the provision of patient and family housing in Anchorage, Sitka, Dillingham, Barrow, Kotzebue, Nome, Kodiak, and Bethel.

Dental Care.—There is increased and welcomed attention being given to the dental crisis among Native people in Alaska and elsewhere. Studies have documented the need, and the American Dental Association has testified before Congress in support of increased IHS funding for dental health. Last year Congress enacted the Children's Health Act which authorized a new discretionary grant program ($10 mil-

lion authorization) specific to Alaska Native and Indian children's dental health. The IHS has made its loan repayment program more available to dentists—in fiscal year 2000, 20 dentists participated in the IHS loan repayment program; in fiscal year 2001 that number increased to 66.

We appreciate the $11 million increase in fiscal year 2001 IHS budget for dental care (a total of $91 million), and urge this Committee to again increase substantially the IHS funding for dental care services and education. We need to develop a system for training Community Dental Health Aide Practitioners to provide some types of dental services in villages. And we need dental hygienists to be trained so that their duties can be expanded, e.g, traumatic restoration of teeth.

Children with rampant dental decay often go untreated because of lack of access to dental care. It is not uncommon to see children with 12 out of their 20 baby teeth severely decayed. The rate of decay rate among children in Alaska is 2½ times the national rate. And rates of oral cancer among Alaska Natives are higher than in any other IHS area. Oral cancers are often detectable through routine oral exam and biopsy. These cancers generally appear in adults, the segment of the Alaska Native population with the least access to dental care.

Contract Support Costs.—Our understanding is that the Administration will request no increase for Contract Support Costs for fiscal year 2002, despite the fact that there is an existing shortfall of approximately $45 million for ongoing and new contractors. In addition, when the Navajo Nation exercises its rights under the Indian Self-Determination Act this year and assumes administration of its health care program, there will be a need for another $60 million for contract support funds. We urge Congress to fully fund contract support costs.

Inflation.—We understand that the Administration's proposed fiscal year 2002 IHS budget will contain no funding for inflation. Tribal and IHS health care providers annually see the value of their program dollars diminish because they must absorb substantial inflationary increases. While Congress generally provides funding for mandatory pay raises, there is often inadequate or no funding to cover inflation. IHS estimated the fiscal year 2001 cost of inflation to be $60 million, but no funding was provided for this purpose. In fiscal year 2001, Congress appropriated $20 million to partially offset the cost of inflation.

Thank you for your consideration of the recommendations of the Alaska Native Health Board.

PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE GRAND RONDE COMMUNITY OF OREGON

Mr. Chairman, I am Kathryn Harrison, Chairperson of the Confederated Tribes of the Grand Ronde Community of Oregon. I hereby submit this testimony on the Grand Ronde Tribe's comments and requests regarding the fiscal year 2002 Indian Health Service and Bureau of Indian Affairs proposed appropriations.

Our requests are as follow:

(1) For the Indian Health Service, we support the testimony of the Northwest Portland Area Indian Health Board.

(2) In the Indian Health Service, increase Clinical Services to fully reflect cost increases for medical inflation and the service population increase.

(3) In the Indian Health Service and the Bureau of Indian Affairs, provide full funding for Indian Self-Determination Act contract support costs.

(4) In the Bureau of Indian Affairs, provide a general increase to TPA funding, and be skeptical of the proposed Welfare Assistance cut proposed in TPA.

Mr. Chairman, because we have not had an adequate opportunity to receive and review the Administration's detailed budget proposal released April 9, my comments can only be general. But while specific numbers might be lacking, we firmly believe our comments are completely correct, and ask that the Subcommittee give them appropriate weight.

INDIAN HEALTH SERVICE

With regard to the Indian Health Service, we support the comments of the Northwest Portland Area Indian Health Board. We understand their comments are on the way to the Subcommittee requesting a total IHS increase of $425 million over fiscal year 2001. The Health Board is a skilled and professional organization that has a good understanding of the health needs of the Northwest Indian people, and of the IHS budget.

With further regard to the Indian Health Service, we have seen the rough figures of the Administration's request, and we find them very insufficient. Specifically, we note that Clinical Services in proposed for a $94 million increase, which is 4 percent

over fiscal year 2001. Mr. Chairman, 4 percent barely covers standard inflation, and most likely covers little more than mandatory cost of living increases for IHS personnel. At a time when sky-rocketing prescription and medical costs are a preeminent national debate, and when the 2000 Census has documented an explosion in the Native American population, the proposed IHS Clinical budget does little to address the health difficulties faced everyday by the Native American population across the United States.

For Contract Health Services, it is hard to believe that the Administration has requested zero increase for this essential function. The tribes in the Northwest, and many throughout the United States, must rely upon the Contract Health Services for all in-patient care. Given service population increases and medical inflation, that's roughly equivalent to asking us to take a 15 percent to 25 percent reduction for in-patient services in a single year.

The true level of Native American clinical health care need in the United States has recently been demonstrated by the Senate's unanimous adoption Friday, April 6, of a Daschle-Domenici amendment to the fiscal year 2002 budget resolution increasing the budget allocation for Native American clinical services by $4.2 billion annually. In discussing the need for the amendment's $4.2 billion annual increase, Senator Daschle described Native American health circumstances as follows:

"What is happening now without that critical funding? Health care is being rationed, often with tragic results. Indians are being told they face a literal life or limb test. They cannot see a doctor unless their life is threatened or they are about to lose a limb. They are told they have to wait until they get worse; that, if there is any money left, they might get treatment. Non-emergency care is routinely denied."

Unfortunately, there is little chance any thing like a $4.2 billion increase in IHS clinical funding will be appropriated in a single year. But we urge the Subcommittee to dedicate a very substantial increase to the IHS clinical budget. To not do so relegates many of America's Indian people to lives of steadily declining health.

CONTRACT SUPPORT

Mr. Chairman, we also ask that the Subcommittee provide full funding for tribal contract support costs in both IHS and BIA. With regard to the Indian Health Service, many tribes, including ourselves, have found that the profound difficulties of health care provided by the Indian Health Service can be somewhat eased by directly assuming responsibility for operating their health programs. While the professionals of the IHS are struggling to do their best with very limited resources, they are also caught up in the coils of their own bureaucracy, and the IHS itself is further ensnared in the larger bureaucracy of HRSA and the Department of HHS. By our taking over the health program for our Tribe, 638 allows some flexibility that enables us to operate the program more effectively and in a manner that better suits our Tribe's needs.

But we are being penalized for taking this initiative. To the extent we are not provided full recovery of our contract support costs, the unavoidable administrative costs associated with our operating the program are drawn out of direct program funding, diminishing service levels. The same goes for BIA programs over which we have assumed operational responsibility. If the spirit and true meaning of Indian Self-Determination are to be fully realized, the tribes should not be required to bear this burden. Full contract support funding is only fair.

BUREAU OF INDIAN AFFAIRS

With regard to the Bureau of Indian Affairs, again we have only had a brief opportunity to examine the Administration's fiscal year 2002 proposal, but in addition to our foregoing comments on contract support, we offer these observations.

First, Tribal Priority Allocation funding seriously needs an overall increase. It has not had any increase beyond mandatory cost of living adjustments for many years. Meanwhile, the costs of goods and services have significantly increased, and the Native American service population has grown. The Federal government's obligations must be met. Holding the BIA TPA budget basically flat steadily erodes the Bureau's local services and capabilities until the shortage finally manifests itself in a "crisis" like that in trust funds management, with its high profile publicity and accusations, and its sudden "emergency" requirement for tens of millions of new dollars. But while Congress and the Administration are desperately trying to patch up trust funds management, woefully insufficient funding is surely breeding crises in other Bureau functions. Like law enforcement. Like BIA administrative capability. Like whatever other steady and grinding deficiency will suddenly be "discovered" in

some future study or news story. We recently saw a newspaper article showing an independent evaluation of several federal agencies, in which the BIA was given a "D" grade. That didn't surprise those of us who live day to day with the Bureau's consistently inadequate budgets. Mr. Chairman, the old English expression "penny wise and pound foolish" is called to mind, and we urge Congress to do all it can not to embrace it.

Otherwise, we note and question the $2.5 million reduction proposed for Indian welfare assistance in TPA Human Services. In the rural and remote communities where most Indian people live, jobs are sparse. Employment education and training are sparse, and all too often, economic opportunity is not available. Despite many best efforts, unemployment and poverty are unfortunately persistent. So we ask that the Subcommittee carefully evaluate whether such a cut is justified.

ABOUT THE GRAND RONDE TRIBE.

In 1954, members of the Confederated Tribe of the Grand Ronde lost federal recognition under the Western Oregon Termination Act. This legislation crippled our Tribal government, took away our remaining Tribal lands, and brought about numerous socio-economic difficulties for our Tribal members. In 1983, our Tribe regained its rightful place among Indian Nations when Congress passed the Grand Ronde Restoration Act.

A survey of our Tribal membership completed in 1985 revealed the devastating impacts of termination. The Tribe's unemployment rate was 23 percent. Among our population aged 19 years or older, 38 percent had not completed high school. And 34 percent of our households had incomes below the poverty level. The survey also revealed serious health concerns, including many members with high blood pressure, heart disease, arthritis, vision, hearing, and alcohol and substance abuse problems.

We have since come a long way in fighting the problems that we have had to face with respect to termination. Despite some of the current positives that are taking place in Indian Country, and specifically at Grand Ronde, there is still a great deal of unmet need within our Tribal community. We have the task of trying to make up for twenty-nine years without support or services, and while we do our best to provide for our Membership, as well as the community, we still fall short. We will continue to strive for the best, and we are proud that today we are a Self-Governance Tribe with both the BIA and the IHS. As discussed earlier in this testimony, Self-Governance allows us some opportunities and flexibility to pursue Tribal priorities with otherwise limited BIA and IHS funds.

We are honored to have appeared before your Subcommittee in previous years, and to submit this testimony today. We are proud of our Tribe and our heritage, and we are proud to be Oregonians and citizens of the United States. We look forward to continuing our government-to-government efforts to build a strong and harmonious relationship with the U.S. Congress.

Thank you. That concludes my testimony.

PREPARED STATEMENT OF THE ROSEBUD SIOUX TRIBE

My name is William Kindle and I am President of the Rosebud Sioux Tribe in South Dakota. Our reservation covers one entire county in South Dakota, and many of our members reside in the nearby adjoining counties within our health service area. We have a modern health facility on our reservation. The health delivery service at Rosebud Sioux Reservation suffers from problems that plague many if not most of the IHS health systems throughout the United States, most of which is traceable to inadequate funding across the board. As noted in more detail below, we are requesting increased funding in the IHS appropriation for the Tribe of $480,000 in Emergency Medical Services and funding of the Contract Health Services program at 100 percent of need on the Rosebud reservation.

Despite the moral and legal responsibility of the United States to provide health services to Indian people, the provision of health services remain dependent on discretionary funding. Due to the nature of discretionary funding, the level of health care services varies greatly and the Indian Health Service budget is drastically underfunded. We join with all other tribes in this country seeking an equitable funding level for the Indian Health Service and its multiple programs. My focus today is on two specific issues which are a particularly serious problem at Rosebud—(1) Contract Health Service Funds and (2) Emergency Medical Services Funding.

EMERGENCY MEDICAL SERVICES FUNDING

Funding for Emergency Medical Services (EMS) is a major concern for all involved in pre-hospital care. For every violent crime needing law enforcement there is a victim (sometimes more than one) needing attention. Heart attack victims, pregnancies, alcohol related accidents, and domestic violence, all needing emergency assistance, the need for a progressive, well grounded EMS system in health care delivery is essential.

In 1996 the Highway Safety Act established an EMS program within the Department of Transportation. Six years later, in 1973, the Emergency Medical Services System Act provided general guidelines and funding for the development of regional EMS systems. In 1973 the Emergency Medical Services System Act provided federal guidelines and funding for the development of regional EMS systems and established 15 costly components for EMS systems. In 1981 the Omnibus Budget Reconciliation Act consolidated EMS funding into State Preventive Health Service Block Grants and eliminated funding under the EMMSS Act of 1973.

Currently EMS does not have authorizing appropriations legislation, creating an enormous problem as there is not any actual funding specifically available for EMS, especially within the Indian Health Service. EMS has never been a separate program, function, or service of the Indian Health Service, but under the original Public Law 93–638 Indian Self-Determination and Education Assistance Act of 1975, the Indian Health Service used the agency's authority to contract EMS to tribes. When they recognized the need for EMS and assumed this authority, Tribes accepted the idea the Service would also have the responsibility for maintaining this contracted access to emergency health service. Throughout Indian country, especially in the Aberdeen Area and specifically on the Rosebud reservation, the ambulance service is funded at 47 percent of need. Many tribal services are considering rescinding their contracts with IHS as they are running out of funds long before the contract is due to end. The Rosebud Sioux Tribe expects to exhaust the funding provided to the Tribe through its 638 contract by May of this year for a shortfall of about $480,000.

The Rosebud Sioux Tribe contract provides for 24 hour ambulance service, with 37 employees, including four paramedics, with the highest call volume in the State of South Dakota, an average of 425 calls per month (greater than the State's metropolitan areas of Sioux Falls and Rapid City) with a minimum of at least three transfers per day to a medical center. The average distance is 180 to 250 miles one way. The local Indian Health Service Unit does not have a fully functioning obstetrical or surgical unit, and for the last four years all high risk pregnancies and surgeries must be transferred to a private sector hospital, 180 to 260 miles away. Our trauma case load exceeds any in the State. We pay our employees at an average rate of $8.15 per hour, without overtime. Due to lack of adequate funds this program will forced to cease it's operations at the end of May unless funds can be found elsewhere. The local Indian Health Service Unit has stated they do not have any available funds to supplement this contract.

The Rosebud Sioux Tribe seeks assistance in obtaining additional emergency funds in the amount of $480,000 to continue the operation of the Tribe's ambulance service. We also encourage you to support special appropriations for Emergency Medical Services in the fiscal year 2002 appropriations act, as well as making permanent funding available for this essential service by making it a Presidential line item with appropriate funding.

LEVEL OF NEED FUNDING

In review of the recent Level of Need Funding (LNF) study, the Rosebud Sioux Tribe believes this study is useful to a point, but should not be considered for a budget formula for the following reasons. Part one of the Study provides a very elementary baseline of costs associated with the provision of health care to Indian people. The researchers selected the lowest possible benchmark, and all other calculations are based on this figure. Indian Health Service user population does not consider tribal programs service populations (these are usually larger than IHS user populations). The user population data is out of date. The use of old surveys to provide data for the health adjustment assumes that the rates of disease between the two populations have remained constant, and the Rosebud Sioux Tribe knows the incidence of diabetes, cancer, and teen pregnancy has dramatically increased during the last decade. The geographic location adjustment assumes that rural health care costs are lower, when in fact rural hospitals can not always provide the care needed and therefore many patients must be transferred to major medical centers resulting in high health care costs.

CONTRACT HEALTH SERVICE FUNDS

The Contract Health Service Program is severely underfunded creating many problems for tribal members. Funds at the Local level are frequently exhausted six to eight months into the fiscal year. As a result the medical needs of many tribal members do not get addressed due to the fact that the local IHS tribal facilities cannot make a commitment for payment.

Due to oversight on the federal government's part, the Rosebud Reservation has members who do not live on or near the reservation as defined in the service delivery area definition. The live in a county that does not border a reservation boundary, and are betrween service units. (Rosebud and Wagner). This oversight means tribal members usually seen in Wagner, (due to distance), cannot receive contract health care services from either Rosebud or Wagner. They are literally left out of the system, causing extreme hardship on families not able to pay for medical care. Family credit ratings are being revoked due to non-payment for medical services needed but not provided within the IHS system. The Rosebud Sioux Tribe has sent fortyh a proposal to change the Contract Health Service Delivery Ara (CHSDA) but has not received approval at this time.

The IHS open door policy allows a tribal members automatic aces to Contract Health Services of another reservation or service area provided the Priority System is followed. The problem created by this policy is tribal members from other reservations or urban areas are allowed immediate access to Contract Health Services. This puts a financial burden on the facility which is supposed to serve the local resident members of a reservation or service area without the benefit of census or enrollment data.

The Rosebud Sioux Tribe recommends the following:

—The Contract Health Service program be funded at 100 percent of need based on last years figures. Because IHS is not capable of providing the level of care needed, they must refer patients to larger facilities with more expertise.

—Tribes need to be allowed to adopt and implement a residency policy according to local conditions that will adequately address the eligibility and access problems of the program.

—Preventive and rehabilitation services need to be defined and moved up to a Priority 1 status. There are many types of preventive services that could be done which would be relatively inexpensive and would help increase the health status of the Tribe while saving Contract Health Service Funds for situations of a more catastrophic nature.

PREPARED STATEMENT OF THE WINNEBAGO TRIBE OF NEBRASKA

This testimony addresses the fiscal year 2002 budget request for the Indian Health Service, and the Administration's proposed $23,241,000 million in fiscal year 2002 to complete construction of the new Winnebago hospital.

The Tribe and Economic Development.—The Winnebago Tribe of Nebraska is a federally recognized Indian Tribe organized pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934. Our forefathers were forcibly relocated from lands in and near what is now the state of Wisconsin. Our Treaty of 1865 is the first in history to require that the United States provide health care services to tribal members. The Tribe's 120,000-acre reservation includes lands in both Iowa and Nebraska and only about 30,000 acres of land within the reservation is now tribally controlled. There are 3,991 enrolled members, of who about 1,290 reside on the reservation.

The Winnebago Tribe of Nebraska is very active on the economic front. The Tribe operates several business enterprises, including the WinnAVegas Casino in Sloan, Iowa, and the Heritage food store and the Company A Convenience Mart, both in Winnebago, Nebraska. Additionally, the Tribe has developed a small strip mall located on the reservation; leasing tribal land to outside agricultural interests generates added tribal revenue. Ho-Chunk, Inc., a wholly owned tribal development corporation, owns & operates a tobacco outlet shop in Omaha, Nebraska and a Native American Products Internet business located in Winnebago. Even with the economic contribution of these projects, tribal per capita income remains significantly below the poverty level at just over $5,000.

Unlike states, the tribes have little or no tax base or other revenue sources with which to operate tribal government programs. Gaming has given a jump-start to our economy but those revenues are decreasing because of commercial competition. The Tribe still relies heavily on federal funds to provide even the most basic level of services to tribal members.

Comprehensive Health Care Facility.—In August 2000, the Winnebago Tribe had a groundbreaking ceremony for the new 97,200 square foot Comprehensive Health Care Facility.

In the village of Winnebago the Public Health Service Hospital serves the basic health care needs for the area. Critical and specialist care is available in Sioux City, IA and Omaha, NE. Currently the hospital has 30 general beds and 3 Pediatric beds. It has a staff of 102, 4 whom are Doctors and 20 of whom are RN's.

The new hospital, presently under construction, will contain an additional 27 new beds (DDU), 40 regular ward beds and 10 IC units. A dental and optometry section is also scheduled. Staff employees will increase by 45 with 21 in Tribal health.

Of the current staff, 20 (19.6 percent) are from Iowa, 67 (65.6 percent) are from Nebraska, 27 (26.4 percent) live on the reservation, and 7 (.06 percent) are from South Dakota. Last fall, site preparations were completed, and actual construction of the new hospital began on October 5, 2001. Construction is expected to be completed June 2004.

The Winnebago Tribe received funds in fiscal year 1999 through the Indian Health Service to complete the Architecture and Engineering phase of our hospital in the amount of $950,000. In fiscal year 2000, we received $9,714,000 for phase one construction, and in fiscal year 2001, $12.3 million for phase two construction.

We are very pleased that the Administration's fiscal year 2002 includes funding within the Indian Health Facilities account to fund the balance of construction costs for the new Health Care Facility. We urge Congress to support this request and provide these needed funds in fiscal year 2002.

PREPARED STATEMENT OF THE SISSETON-WAHPETON SIOUX TRIBE

Chairman Burns and honorable members of the subcommittee, thank you for this opportunity to offer testimony in support of the need for increased funding for the Indian Health Service in fiscal year 2002, especially for Health Facility Construction, inflation, population growth, and Contract Health Services. Nationwide, Tribes have identified a need for a $4.2 billion increase in the Indian Health Service budget to begin addressing the tremendous unmet needs and disparities in health status that exists between First Americans and other citizens of this Nation. Minimally, a $263 million increase is required, just to keep pace with inflation and population growth.

The Sisseton-Wahpeton Sioux Tribe's top priority need in fiscal year 2002 is for $2.33 million to plan and design a new ambulatory health center, which will replace the current facility that was constructed in 1936. The President's Budget requests $38 million for Health Facility Construction, a $48 million (or 56 percent) decrease from the amount that was appropriated in fiscal year 2001. The budget proposal includes only enough funding to complete construction of two Indian Health Service Hospitals (Ft. Defiance, AZ and Winnebago, NE). There is no provision for outpatient projects at all, although there are five locations that are awaiting appropriations to construct outpatient health centers that have already been (or are currently being) designed.

This matter is of grave concern to the Sisseton-Wahpeton Sioux Tribe, who has been dangling on one health facilities construction priority list or another for three decades. At present, the Sisseton-Wahpeton Sioux Tribe is next in line for planning and design funds for a replacement health facility that should have been constructed in the 1970's (but was not, due to changes in construction planning policies and methodologies). The total estimated cost for the Tribe's new health center is $24 million; but funding for construction and then to make it operational would be requested from Congress over a span of four consecutive years. The new facility will address the Sisseton Indian Health Service's critical need for space in which to carry out state-of-the art health services. The operating budget will provide for over twice the number of staff, modern equipment, and a more adequate allowance for medicine and supplies.

The Indian Health Service has no means other than new construction and the Indian Health Care Improvement Fund to adjust for inequities in funding between Tribes. The Sisseton Service Unit is among the most severely underfunded Indian Health Service facilities in the Nation, falling in the lower twenty-fifth percentile according to the I.H.S. "Level of Need Funded" (LNF) methodology. Agency-wide, the average level of need funded for the Indian Health Service is 60 percent, but our Service Unit was funded at only 43 percent of need in fiscal year 2000. Nowhere is the need for a new facility and the improved operating budget that comes with it any more desperate. The quality of health care available to Tribal members has

deteriorated. As a result, patient care on the Lake Traverse Reservation is compromised, and the Tribal members are suffering.

Second, we would like to comment on the need for increased funding to offset the cost of inflation and population growth. To meet mandatory cost increases, the Indian Health Service will need $184 million ($59 million to cover pay costs, $64 million for inflation, and $18 million for medical inflation). Nation-wide, the healthcare industry is projecting double-digit growth in costs again this year and estimates an increase of 13 percent over Year 2000 costs. As an example, the cost of pharmaceuticals at the Sisseton Indian Health Service went up 161.5 percent since 1996. Another good example is the Sisseton Indian Health Service Dental Clinic, which has a six-month waiting list for a dental appointment. Because the Service Unit has not had sufficient funding to recruit a second dentist, the backlog in this department has increased astronomically. Many go without dental services, to the sad detriment of their oral health, nutrition, appearance, and self-esteem. Because appropriations have not kept pace with these costs, the Service Unit has been forced to absorb this and other inflationary-type expenses, or patients have went without services. Any increase less than $263 million (or approximately 10 percent) will not address the mandatory-type of increases the Agency will otherwise have to absorb. In contrast, the President's budget proposal requests a $78 million increase in actual appropriations, which represents a mere 2.69 percent increase over the fiscal year 2001 level.

At this juncture, we would like to point out that collection of third party dollars, as authorized by the Indian Health Care Improvement Act, by Law are not to supplant Federal appropriations to the Indian Health Service. Title IV, Sec. 401 and 402(b) of Public Law 94–437 expressly states that payments received for services provided under title XIX of the Social Security Act shall not be considered in determining appropriations for the provision of health care and services to Indians. Yet, the President's budget proposal does shift $29 million of it's proposed $107 million increase for I.H.S. to projected third party collection increases. One hundred seven ($107) million would be an amount consistent with the 4 percent increase the Bush Administration has indicated it is requesting across-the-board for domestic discretionary funding. However, for the Indian Health Service, approximately one-fourth (25 percent) of the Bush Administration's proposed increase is to come from third party payments, in direct violation of Federal Law!

It is important to keep in mind that escalating health care costs decrease the buying power of Contract Health Service appropriations. (Contract health care funds are used to purchase services not available at the I.H.S. facility, such as emergency medical services, mobile mammography and CT scans, and specialty services.) The "CHS dollar" appropriated by Congress has lost 50 percent of it's purchasing power in the past eight years, according to information provided by the Aberdeen Area I.H.S. Office.

At the same time, the I.H.S. eligible population has grown. According to the U.S. Census Bureau, the population of American Indian, Eskimo and Aleuts grew by more than 300,000 between April, 1990 and July, 1999 to 2.4 million people. Our Native population has grown more rapidly than the nation's population as a whole in the 1990's—16 percent versus 9.7 percent. Indian Country is experiencing exponential growth. On the Lake Traverse Reservation, for example, about half of our population is less than 18 years of age. Yet, the resources of the Indian Health Service have not kept pace with the increased demand for services, or with the changing needs of the population. At the Sisseton I.H.S., for example, maternal and child health services are quite fragmented, because the resources and capacity to provide the services "inhouse" are not there. Maternity patients are required to apply for State-assisted programs in order to give birth and obtain care outside the I.H.S. Lack in continuity of care and late access to prenatal care are directly reflected in the appalling infant mortality rates occurring in the Aberdeen Area (14.0 per 1,000, compared to 9.3 for Indians nationwide and to 7.6 per 1,000 for U.S. All Races (1994–96 data). Please note that the infant mortality rate for Indian babies is 22 percent higher than for other Americans; for the Aberdeen Area, the rate is 86 percent higher! It is significant, too, that birth rates in the Aberdeen Area were 29.4 per 1,000 population, versus 14.9 per 1,000 for U.S. All Races. The level of appropriations must be adjusted to address this change in the population served.

It must also be pointed out that Indian Country is now seeing an emerging elderly population. Although the life-expectancy rate for an Indian person in the Aberdeen Area is still eleven (11) years less than for other Americans (65.2 compared to 75.8), elders comprise a significant and venerable portion of Tribal communities. According to the U.S. Census Bureau, there were an estimated 161,000 Indian elderly aged 65 and over, and 20,000 aged 85 and over, residing in the United States as of July, 1999. Projections indicate these numbers will double by 2020. The Indian Health

Service must deal with this change by developing programs and services to handle the specialized needs and morbidity of this emerging population. Long-term care is a need in Indian Country, which for South Dakota, at least, is viewed as a Federal obligation, not the State's. The State is willing to pass-through 100 percent Federal funding to health care programs that are Federally licensed, but they have been consistently resistant to the notion of using any funds that have been Federally matched.

Finally, we would like to speak to the need for improved Contract Health Service appropriations. With the poor health status in Indian Country, many needs for specialty services go unmet because they do not present a threat to life or limb, which is all the Indian Health Service has funding to pay for. For example, during the past three years, thirty-seven (37) catastrophic cases consumed twenty-five percent (25 percent) of the Sisseton Indian Health Service's meager Contract Health Service budget (this was $1.5 Million of the $6 Million allocated to the Sisseton-Wahpeton Sioux Tribe for referral services for this three-year period). In fiscal year 1999, Sisseton I.H.S. expended $1,004,713 for only 15 patients. According to the data provided by the Sisseton Indian Health Service at the request of the Tribe, the Contract Health Service Program is funded at only $445.82 per user of the I.H.S. The average amount spent per catastrophic case, in comparison, was $40,540.54 during the three-year period studied. Only six, or sixteen percent (16 percent), of these cases accessed the Catastrophic Health Emergency Fund (CHEF) administered by I.H.S. Headquarters.

Appropriations for the CHEF has most definitely not kept pace with inflation and population growth, so the Fund is depleted well before the end of the fiscal year (requiring the costs to be absorbed by the local Service Units). As a result, the only patients with access to specialty care and treatment provided in private, tertiary facilities, such as Meritcare in Fargo, are those with conditions deemed to be "life or limb threatening". This means that patients with chronic medical problems, who may be suffering pain and a reduced quality of life, do not get treated by a specialist in a timely manner. Symptoms get treated, not the disease itself. Too often, the condition is left untreated or is not treated until it worsens to the point of becoming "life or limb threatening". Example: one visit to a rheumatologist would be more cost effective than the ongoing cost of prescriptions to treat the symptoms—without the toxic effects of drugs such as Motrin (which damages the kidneys). Another example is chronic gall bladder problems (treating the pain for months until it ruptures). A third example is that by the time a patient's lupus-induced tumor was removed, secondary problems and complications had developed that were costly to treat. Also, the severity of a condition progressed from one requiring relatively minor treatment to one requiring COSTLY major, life-threatening surgery. Followup visits to ophthalmologists and cardiologists for patients with diagnosed disorders and conditions (like diabetes and heart disease), surgeries for conditions that are chronic and debilitating but not acute at the exact moment the I.H.S. doctor sees the patient, hernia repair, psychiatric treatment, cleft lip surgery, removal of bunions and spurs of the foot . . . the list goes on and on . . . are deferred, because the patient does not have the personal finances to pay for the services out-of-pocket.

Increased appropriations for Contract Health Services, population growth, inflation, and Health Facility Construction, then, are essential to achieving the goal of Congress, as stated in the Indian Health Care Improvement Act: "The Congress hereby declares that it is the policy of this Nation, in fulfillment of its special responsibilities and legal obligations to the American Indian people, to assure the highest possible health status for Indians and urban Indians to provide all resources necessary to affect that policy". At this time, we request your support for the fiscal year 2002 Indian Health Service budget and for the budget amendment which has been proposed by Senators Daschle and Domenici that will bring the Indian Health Service budget up to $6 billion (an increase of $4.2 billion). Thank you for this opportunity to express our needs.

PREPARED STATEMENT OF THE JOSLIN DIABETES CENTER

Mr. Chairman, thank you for this opportunity to present a status report on the funds the IHS Subcommittee provided for the past two fiscal years, and to request $6 million to continue the Indian Health Service/Joslin Diabetes Center telemedicine work in fiscal year 2002.

BACKGROUND

The IHS Subcommittee recommended that the Indian Health Service develop in fiscal year 2000 a $1,000,000 cooperative relationship with the Joslin Diabetes Cen-

ter/Joslin Vision Network (JVN) to address diabetes issues within the Indian Health Service and among the Native American patient population by integrating the JVN and Joslin Diabetes Eye Health Care Model into the care of the Native American population.

The Joslin Diabetes Center JVN is a telemedicine initiative designed to screen for diabetes and to access all diabetic patients into cost-effective, quality diabetes and eye care programs across geographic and cultural boundaries at reduced cost.

In the fiscal year 2001 Budget, the IHS requested $1,000,000 to continue this project. The request was approved by the Conference Committee and enacted into law. Joslin Diabetes Center welcomes this opportunity to work collaboratively with IHS through the sharing of technology and training in a clinical setting.

Joslin is currently developing a Comprehensive Diabetes Management Plan that will be incorporated within the health care systems of the Department of Defense, Department of Veterans Affairs, and the Indian Health Service. This telemedicine platform will allow seamless migration among these three systems.

FISCAL YEAR 2000–2001 STATUS REPORT

The IHS for the initial pilot site of cooperation with the Joslin JVN selected Phoenix Indian Medical Center (PIMC). Following the successful implementation at PIMC of the first pilot IHS/JVN telemedicine diabetes detection, prevention and treatment initiative, Sells, Arizona was selected as the second site. The plans for disbursement of remaining funds for fiscal year 2000–2001 include deployment at two additional sites, refinement of the IHS/JVN telemedicine protocol, and integrating Native-American outreach and education programs.

FISCAL YEAR 2002

The Medicare, Medicaid, and SCHIP Act of 2000 increased IHS's annual diabetes funding from $30 million to $100 million through fiscal year 2003. The increase in resources has permitted IHS some discretion in choice of diabetes clinical care.

Joslin was approached by IHS to work cooperatively at 30 additional sites for fiscal year 2002. The importance of quality care must be the first consideration for any new endeavor. Joslin does not have the personnel resources to support 30 additional IHS sites in fiscal year 2002 and provide at the same time the full support and quality care that IHS patients and infrastructure should be accorded. The IHS and Joslin have reached an agreement of 15 new sites in fiscal year 2002, which Joslin officials believe is the appropriate and manageable number of new sites that Joslin can support without diminishing quality or necessary training and time.

The deployment of the 15 new sites in fiscal year 2002 will be determined by the needs of the IHS with the intent that one site will include an inter-agency cooperation with the Department of Veterans Affairs in Anchorage, Alaska, as a first step toward seamless telemedicine migration of the IHS, VA and DOD Health Care systems.

We respectfully request fiscal year 2002 funding of $6 million to provide for deployment of 15 new sites, to staff and operate 19 IHS/JVN sites, to continue application enhancements and refinements for adaptive patient use and reduced cost, and to begin planning for a JVN comprehensive disease management program for the IHS, DOD and VA.

CONCLUSION

Thank you for this opportunity to present this fiscal year 2001 status report and this request of fiscal year 2002 funding of $6 million for the IHS/Joslin project. This project is viewed by IHS and Joslin Diabetes Center as a significant medical technology breakthrough for the patients and health care system within the Indian Health Service.

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